

United States  
Circuit Court of Appeals

For the Ninth Circuit.

FRANK P. McKINNEY, as Receiver of the OLYMPIA BANK & TRUST  
COMPANY, a Corporation,

Appellant,

vs.

UNITED STATES NATIONAL BANK OF CENTRALIA, a Corporation, and  
A. R. TITLOW as Receiver of the UNITED STATES NATIONAL  
BANK OF CENTRALIA,

Appellees,

and

C. S. REINHART and C. WILL SHAFFER, Stockholders of OLYMPIA BANK  
& TRUST COMPANY, a Corporation, for Themselves and All Other  
Stockholders of Said Company,

Appellants,

vs.

UNITED STATES NATIONAL BANK OF CENTRALIA, a Corporation, and  
A. R. TITLOW as Receiver of the UNITED STATES NATIONAL  
BANK OF CENTRALIA,

Appellees,

and

ROY A. LANGLEY, as Receiver of the STATE BANK OF TENINO,

Appellant,

vs.

UNITED STATES NATIONAL BANK OF CENTRALIA, a Corporation, and  
A. R. TITLOW as Receiver of the UNITED STATES NATIONAL  
BANK OF CENTRALIA,

Appellees

Transcript of Record.

DEC 13 1916

F. D. Monckton

Upon Appeals from the United States District Court for the  
Western District of Washington, Southern Division.



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Circuit Court of Appeals

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**Names and Addresses of Attorneys.**

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Olympia, Washington,

Solicitors for Complainant and Appellee in  
Cause No. 32-E.

FRANK C. OWINGS, Esquire, Olympia, Wash-  
ington,

Solicitor for Complainant in Case No. 50-E.

R. P. OLDHAM, Esquire, Hoge Bldg., Seattle,  
Washington, and R. C. GOODALE, Esquire,  
Hoge Bldg., Seattle, Washington,

Solicitors for Appellant Titlow, etc.

THOS. M. VANCE, Esquire, Olympia, Washing-  
ton, and THOS. L. O'LEARY, Esquire, Olym-  
pia, Washington,

Solicitors for Intervenors. [1\*]

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*In the District Court of the United States for the  
Western District of Washington, Southern Di-  
vision.*

No. 32-E—IN EQUITY.

FRANK P. MCKINNEY, as Receiver of the  
OLYMPIA BANK & TRUST COMPANY,  
Complainant,

vs.

A. R. TITLOW, as Receiver of the UNITED  
STATES NATIONAL BANK OF CEN-  
TRALIA, Substituted for C. A. SNOWDEN,  
Defendant,

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\*Page-number appearing at foot of page of original certified Tran-  
script of Record.



24. Intervenor's Proof of Service of Citation and Notice of Appeal.
25. Statement of Facts Proposed by Complainant in Cause No. 32-E, Intervenor in Cause No. 32-E and Complainant in Cause No. 50-E.
26. Following exhibits of intervenors: 1, 2, 3, 4, 5, 6 and 7. [3]
27. The following exhibits of defendants in cause No. 32-E: "A," "B," "C," "D," "E," and "F."

## IN CAUSE No. 50-E.

1. Bill of Complaint.
2. Answer.
3. Decree.
4. Petition of Complainant for Appeal and Allowance of Same by the Court.
5. Complainant's Assignment of Errors.
6. Bond on Appeal.
7. Citation and Notice of Appeal.
8. Proof of Service of Citation and Notice of Appeal.
9. Statement of Facts Proposed by Complainant and Intervenor in Cause No. 32-E and by Complainant Herein.
10. Notice of Hearing on Application for Enlargement of Time and Consolidation of Causes 32-E and 50-E.
11. Application to Consolidate this Cause With Cause No. 32-E.
12. Application for Enlargement of Time Within Which to File Transcript on Appeal.

13. Affidavit of Frank C. Owings Supporting Application for Enlargement of Time Within Which to File Transcript.
14. Order Granting Application to Consolidate the Cause with Cause No. 32-E.
15. Order Granting Application for Enlargement of Time Within Which to File Transcript.  
[4]
16. The following exhibits of complainant in cause No. 50-E: 1, 2, 3, 4 and 5.
17. The following exhibits of the defendant in cause No. 50-E:

P. M. TROY,

R. F. STURDEVANT,

Solicitors for Complainant in Cause No. 32-Equity.

C. WILL SHAFFER,

C. S. REINHART,

Intervenors in Cause No. 32-Equity.

FRANK C. OWINGS,

Solicitor for Complainant in Cause No. 50-Equity.

Service of the foregoing Praecipe by receipt of copy thereof admitted this 16th day of September, 1916.

R. P. OLDHAM,

R. C. GOODALE,

Solicitors for Defendant. [5]

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### **First Amended Bill of Complaint.**

To the Honorable Judge of the Above-named Court:

Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, brings this his amended Bill of Complaint, consent of the de-

defendants herein being first obtained for the filing of the same, against C. A. Snowden, A. R. Titlow substituted, as receiver of the United States National Bank of Centralia, Washington, a corporation, defendant.

Your orator complains and for a first cause of action says:

### I.

That the Olympia Bank & Trust Company was and is a corporation duly organized under the laws of the State of Washington, for the purpose of conducting a banking business under the laws of the State of Washington as a state bank with its principal place of business at Olympia, Thurston County, Washington.

### II.

That on the 29th day of September, 1914, such proceedings were had in the Superior Court of the State of Washington for Thurston County, in a certain cause entitled State [6] of Washington on the relation of W. V. Tanner, as Attorney General, Plaintiff, vs. The Olympia Bank & Trust Company, a corporation, defendant No. 5628, that the said Olympia Bank & Trust Company was adjudged to be insolvent, and that on October 14, 1914, your orator, the complainant, Frank P. McKinney was appointed receiver thereof, and that he has been since said date and ever since and now is the duly appointed, qualified and acting receiver of the said Olympia Bank & Trust Company.

### III.

That heretofore and prior to the said 29th day of

September, 1914, the said United States National Bank was a corporation duly and regularly organized under the laws of the United States and was a National Bank, engaged in the banking business, with its principal place of business at Centralia, Washington; that several days prior to the adjudication of the Olympia Bank & Trust Company to be insolvent and the appointment of a receiver therefor, the said United States National Bank at Centralia, Washington became insolvent and was placed in the hands of a receiver under the acts of Congress providing for the management and winding up of the affairs of insolvent banks, and that the defendant, C. A. Snowden is the duly appointed, qualified and acting receiver of the said United States National Bank, a corporation, and the said A. R. Titlow has been substituted.

#### IV.

That your orator, the complainant, as receiver of the said Olympia Bank & Trust Company has received permission from the Superior Court of the State of Washington for Thurston County, as its receiver, to commence this action and that he has procured permission from the above-entitled court for leave to sue the above-named defendant receiver. [7]

#### V.

That during the months of August and September, 1914 one W. Dean Hays, was cashier of the said Olympia Bank & Trust Company, and one Charles S. Gilchrist was cashier of the United States National Bank of Centralia, and that during all of the

months of August and September, 1914, the said United States National Bank was insolvent, as said cashiers well knew, and so knowing entered into a fraudulent conspiracy for the deceiving of the United States Bank Inspector, and preventing him from discovering the condition of the said United States National Bank aforesaid, by which it was agreed that the said W. Dean Hays would transmit from the said Olympia Bank & Trust Company of the funds and moneys belonging thereto, the sum of \$36,550 until the inspection of the said United States National Bank had passed the inspector, and that then the said funds and moneys should be returned to the said Olympia Bank & Trust Company, and that in pursuance of the said fraudulent agreement the said W. Dean Hays did transmit of the funds and moneys of the said Olympia Bank & Trust Company, \$36,550 to the said cashier Gilchrist and through him to the said United States National Bank of Centralia, without the knowledge or consent of the said Olympia Bank & Trust Company or its officers and stockholders and that such transmission was made immediately before the closing of the said United States National Bank and the appointment of the said receiver, and the taking possession of the said bank by the said receiver, and the said funds and moneys were then and now are in the hands of the said receiver; that demand has been made upon the said receiver for the receiver for the return of the said funds and moneys to the said receiver of the said Olympia Bank & Trust Company, but the said [8] receiver of the said United States National



Bank refuses so to do, and has ever since, and does now refuse.

For a further and second cause of action, your orator, the complainant, alleges, as follows, to wit:

I.

Refers to paragraphs I, II, III and IV of the first cause of action herein, and makes the same a part of this second cause of action.

II.

That prior to the insolvency of the said Olympia Bank & Trust Company and the said United States National Bank of Centralia, the Olympia Bank & Trust Company, at the request of the said United States National Bank, remitted to the State Bank of Tenino the sum of Ten Thousand (10,000) Dollars, and that the said United States National Bank of Centralia, by reason thereof, became indebted to the [9] complainant in the sum of ten thousand (10,000) dollars, and had and received from the complainant ten thousand (10,000) dollars.

III.

That the United States National Bank did not give the Olympia Bank & Trust Company credit therefor, and that although frequent demand has been made therefor by the complainant upon the said receiver of the United States National Bank that it receive credit for the said ten thousand (10,000) dollars and the said receiver of the said United States National Bank has refused and does now refuse to give the complainant as such receiver credit therefor.

For a further, and third cause of action, your orator, the complainant, alleges:

I.

Refers to paragraphs I, II, III, IV, of the first cause of action herein and makes the same a part of this third cause of action.

II.

That prior to the insolvency of the said Olympia Bank & Trust Company, and the United States National Bank, and during August and September, 1914, the said United States National Bank had on deposit with it, funds of the said Olympia Bank & Trust Company and that pretending to pay off the notes executed by Blumauers (the several names of the makers of the said notes complainant is unable more definitely to state) with the moneys of the Olympia Bank & Trust Company and with no right or authority whatsoever so to do from the said Olympia Bank & Trust Company, it charged and took credit to itself for the funds of the said Olympia Bank & Trust Company in the sum of \$9500; That thereafter it retained and kept the said notes signed by said Blumauers and that by reason thereof there was abstracted [10] and taken from the funds of the said Olympia Bank & Trust Company the sum of \$9500, for which the United States National Bank became indebted to the said Olympia Bank & Trust Company; that the said notes remain in the said United States National Bank, and were there when the said bank went into the hands of the receiver, and, as your orator is advised and believes the said notes still remain in the hands of the receiver of the said United States National Bank.



III.

That your orator has repeatedly requested and demanded of the receiver of the said United States National Bank, defendant herein, that he be allowed credit for the said \$9,500 from the said United States National Bank, and that the said defendant has refused and does still refuse so to do.

WHEREFORE your orator prays the Court as follows, to wit:

1. That a subpoena issue to the defendant requiring him to appear in court in answer hereto.

2. That there be an accounting between your orator and the defendant and the said two insolvent banks, and that the claims set forth in the said three preceding causes of action as belonging to the said complainant in the sum of \$56,050, be allowed and established in favor of the said complainant, less any credits to which it may appear the defendant is entitled, and that the same, or so much thereof as to the Court shall seem meet and proper be adjudged to be a preferred lien and claim in favor of the complainant and against the defendant.

3. For his costs and disbursements of suit hereon.

4. For such other and further relief as to the Court shall seem meet in the premises.

P. M. TROY,  
R. F. STURDEVANT,  
Attorneys for Complainant.

(Verified.)

(Filed Apr. 3, 1915.) [11]

**Answer to First Amended Bill of Complaint.**

A. R. Titlow, as receiver of the United States National Bank of Centralia, Washington, for answer to the first amended bill of complaint herein says:

Referring to complainant's first cause of action,

**I.**

That the facts set forth therein are insufficient to constitute a valid cause of action in equity.

Without waiving the foregoing objections to the complaint, defendant further answering, denies and alleges as follows:

**II.**

Referring to paragraph I, denies that the Olympia Bank and Trust Company was or is a corporation duly organized for the purpose of conducting a banking or any other business.

**III.**

Admits the allegations of paragraph two.

**IV.**

Referring to paragraph three, admits that heretofore and prior to September 29, 1914, the United States National Bank of Centralia was a corporation duly organized under the laws of the United States and was a national bank engaged in the banking business with its principal place of business at Centralia, Washington; that sometime prior to September 29, [12] 1914, the United States National Bank became insolvent and was placed in the hands of a receiver under the acts of Congress providing for the management and winding up of

affairs of insolvent banks, but defendant says that neither such insolvency or receivership occurred before September 21, 1914; denies that C. A. Snowdon is the duly appointed, qualified and acting receiver of the United States National Bank, but admits that C. A. Snowdon was such receiver from on or about November 16th, 1914, until March 1, 1915, on which last named date the defendant, A. R. Titlow was substituted for Snowdon as such receiver.

V.

Referring to paragraph four, defendant says that he is without knowledge as to any of the allegations therein contained.

VI.

Referring to paragraph five, admits that during the months of August and September, 1914, one W. Dean Hayes was cashier of the Olympia Bank & Trust Company; denies that Charles S. Gilchrist was cashier of the United States National Bank of Centralia and alleges the fact to be that he was vice-president of that bank; denies that during all of the months of August and September, 1914, or at any time prior to September 21st, 1914, the United States National Bank was insolvent and denies that Hayes and Gilchrist or either of them knew or had reason to believe that that bank was insolvent; denies that Hayes and Gilchrist entered into a conspiracy, fraudulent or otherwise, for the purpose of deceiving the United States National Bank Inspector and preventing him from discovering the condition of the United States National Bank, or for any other purpose; denies that it was

agreed that Hayes would transmit from the Olympia Bank & Trust Company, of the [13] funds and moneys belonging thereto or any other funds or moneys, the sum of Thirty-six Thousand Five Hundred Fifty Dollars (\$36,550) or any other sum, until the inspection of the United States National Bank had passed, or for any other period; denies that there was any agreement for the return of the sums named in paragraph five or any other sum to the Olympia Bank & Trust Company; denies that W. Dean Hayes transmitted, of the funds and moneys of the Olympia Bank & Trust Company, Thirty-six Thousand Five Hundred Fifty Dollars (\$36,550) or any other sum to Gilchrist and denies that through Gilchrist or otherwise any such transmission of funds from the Olympia Bank & Trust Company to the United States National Bank of Centralia was made, immediately before the closing of the United States National Bank and the appointment of the receiver and the taking possession of the bank by the receiver or at any other time; denies that said funds and moneys or any part thereof were then or at any other time or now are in the hands of the receiver.

Further answering, and for a first affirmative and complete defense to the first cause of action, defendant says, that at various times during the months of August and September, 1914, the United States National Bank in the regular course of business sold commercial paper to the Olympia Bank & Trust Company, payment for which was made in some cases by the United States National

Bank's charging the account of the Olympia Bank & Trust Company, and in others by checks or drafts drawn by the Olympia Bank & Trust Company upon its account with the United States National Bank; that if the alleged transfer of funds mentioned in paragraph five of the complaint occurred at all, it was merely a payment by the Olympia Bank & Trust Company to the United States National Bank for commercial paper in the usual course of business. [14]

Further answering, and for a second affirmative and complete defense to the first cause of action, defendant says, that during the months of August and September, 1914, the United States National Bank of Centralia was the custodian for the Olympia Bank & Trust Company of certain promissory notes of various persons, of the aggregate face value of Forty-eight Thousand Dollars (\$48,000). That at some time or times during August or September, 1914, the United States National Bank at the request of the Olympia Bank & Trust Company, returned to it certain of those notes, aggregating the principal sum of Thirty-six Thousand Five Hundred Fifty Dollars (\$36,550); that the United States National Bank of Centralia and its receiver still hold for the Olympia Bank & Trust Company the remainder of those notes, aggregating the principal sum of Eleven Thousand Four Hundred Fifty Dollars (\$11,450), which notes defendant is ready and willing to return to the Olympia Bank & Trust Company, or its receiver, on demand.



For answer to complainants further and second cause of action defendant says:

I.

That the facts set forth therein are insufficient to constitute a valid cause of action in equity.

II.

Further answering, but without waiving the foregoing objection, defendant repeats the admissions and denials contained in his answer to paragraphs one, two, three and four of complainants first cause of action and makes the same a part of this his answer to complainant's second cause of action.

III.

Denies that prior to the insolvency of the Olympia Bank & Trust Company and the United States National Bank of Centralia or at any other time the Olympia Bank & Trust Company, [15] at the request of the United States National Bank remitted to the State Bank of Tenino the sum of Ten Thousand Dollars (\$10,000) or any other sum; denies that the United States National Bank of Centralia by reason of any such transaction became indebted to the claimant in the sum of Ten Thousand Dollars (\$10,000) or any other sum and that it had and received from the complainant Ten Thousand Dollars (\$10,000) or any other sum.

For answer to the complainant's further and third cause of action defendant says:

I.

He repeats the admissions and denials contained in his answer to paragraphs one, two, three, and

four of the first cause of action herein and makes the same a part of his answer to complainant's third cause of action.

## II.

Referring to paragraph two, denies that the Olympia Bank & Trust Company, prior to its insolvency and the insolvency of the United States National Bank and during August and September, 1914, or at any of those times or at any other time, had on deposit with the United States National Bank funds belonging to the Olympia Bank & Trust Company; denies that pretending to pay off notes executed by Blaumauers or any other person or persons, the United States National Bank charged and took credit for the funds of the Olympia Bank & Trust Company in the sum of Ninety-five Hundred Dollars (\$9500) or any other sum; denies that any such transaction was without right or authority from the Olympia Bank & Trust Company, and that any indebtedness arose out of any such transaction from United States National Bank to the Olympia Bank & Trust Company.

Further answering, and for a first affirmative and complete defense to complainant's third cause of action, defendant alleges the facts concerning the transactions mentioned [16] in complainant's third cause of action to be that on or about September 4th, 1914, the United States National Bank, pursuant to an arrangement duly made with the Olympia Bank & Trust Company sold to the Olympia Bank & Trust Company the following commercial paper in the usual course of business:



Note of T. H. McLafferty.....	\$2500.00
Note of Blumauer Logging Company.....	
.....	3500.00
Note of Blumauer Logging Company.....	
.....	3500.00

Defendant admits that the United States National Bank charged the agreed consideration for the transfer of these notes, to wit; the sum of Ninety-five Hundred Dollars (\$9500) to the Olympia Bank & Trust Company; defendant admits that these notes still remain in his hands but says that he is ready and willing and has heretofore offered to deliver them to plaintiff and that plaintiff has refused and does now refuse to accept them.

WHEREFORE, having fully answered, the defendant prays that the bill of complaint herein be dismissed and that defendant recover his costs and disbursements.

(Unsigned.)

(Verified.)

(Filed May 13, 1915.) [17]

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### Replication.

Comes now Frank P. McKinney, receiver of the Olympia Bank & Trust Company, complainant, and replying to the answer of the defendant, denies, admits and alleges as follows, to wit:

#### I.

Replying to the first affirmative defense of the first cause of action of the defendant the complainant denies the same and each and every part thereof,

except as hereinbefore in the bill of complaint admitted, qualified or claimed.

II.

Replying to the second affirmative defense of the said first cause of action of the defendant, the complainant denies the same and each and every part thereof, except as hereinbefore in the bill of complaint admitted, qualified or claimed.

III.

Replying to the first affirmative defense of the second cause of action of the defendant, the complainant denies the same and each and every part thereof, except as hereinbefore in the bill of complaint admitted, qualified or claimed.

Wherefore complainant prays as hereinbefore in his bill of complaint.

TROY & STURDEVANT,  
Attorneys for Complainant.

(Verified.)

(Filed Nov. 8, 1915.) [18]

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**Bill of Complaint of Intervenors.**

To the Honorable Judge of the Above-entitled Court:

The above-named intervenors, C. S. Reinhart and C. Will Shaffer, stockholders of the Olympia Bank & Trust Company bring this, their Bill of Complaint, for themselves and for all other stockholders of said company, and for a cause of action allege:

I.

That the Olympia Bank & Trust Company was and is a corporation duly organized under the laws of the State of Washington for the purpose of con-

ducting a banking business under the [19] laws of said State of Washington, as a State bank, with its principal place of business at Olympia, Thurston County, Washington.

## II.

That the above-named intervenors C. S. Reinhart and C. Will Shaffer, at all of the times since the organization and incorporation of said Olympia Bank and Trust Company were and now are stockholders in said Olympia Bank & Trust Company, said C. S. Reinhart being the owner of 15 shares therein, and said C. Will Shaffer being the owner of 10 shares therein; that your intervenors bring this action for themselves and all other stockholders of said Olympia Bank & Trust Company for the reason that all stockholders of said Olympia Bank & Trust Company have an identical interest in this suit, and for the further reason that the number of stockholders of said company is so numerous as to make it impracticable to bring them all before the Court in this action.

## III.

That on the 29th day of September, 1914, such proceedings were had in the Superior Court of the State of Washington for Thurston County, in a certain cause entitled "State of Washington on the relation of W. V. Tanner, as Attorney General, Plaintiff, vs. The Olympia Bank & Trust Company, a Corporation, Defendant," No. 5628, that the said Olympia Bank & Trust Company was adjudged to be insolvent, and that on October 14, 1914, the above-named complainant, Frank P. McKinney was ap-

pointed receiver thereof, and that he has been since said date and ever since and now is the duly appointed, qualified and acting receiver of the said Olympia Bank & Trust Company.

IV.

That your intervenors and each of them have requested and demanded that said Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, bring the action herein set [20] forth, but that the said receiver of the Olympia Bank & Trust Company has refused so to do.

V.

That heretofore and prior to the said 29th day of September, 1914, the said United States National Bank was a corporation duly and regularly organized under the laws of the United States and was a national bank, engaged in the banking business, with its principal place of business at Centralia, Washington; that for some time prior to the adjudication of the Olympia Bank & Trust Company to be insolvent and the appointment of a receiver therefor, the said United States National Bank at Centralia, Washington, was insolvent and several days before said time it was placed in the hands of a receiver under the acts of Congress providing for the management and winding up of the affairs of insolvent banks, and that the defendant C. A. Snowden is the duly appointed, qualified and acting receiver of the said United States National Bank, a corporation, and the said A. R. Titlow has been substituted.

VI.

That your intervenors have procured permission

from the above-entitled court, and from the Superior Court for Thurston County, Washington, for leave to intervene herein and file this Bill of Complaint.

## VII.

That during the months of August and September, 1914, one W. Dean Hays was cashier of the said Olympia Bank & Trust Company and the active managing head of said company, and one Charles S. Gilchrist was vice-president of the United States National Bank of Centralia and active managing head of said bank and that during all of the months of August and September the said United States National Bank of Centralia was insolvent and that the said Charles S. Gilchrist, during said months of August and September, 1914, knew that the said United States National [21] Bank of Centralia was in an insolvent condition; that during said month of August, 1914, the said Charles S. Gilchrist and the said United States National Bank of Centralia falsely and fraudulently represented and stated the financial condition of said United States National Bank of Centralia to said Olympia Bank & Trust Company and the officers thereof, and represented and stated that the said United States National Bank of Centralia was solvent when, in truth and in fact, said United States National Bank of Centralia was insolvent, as the said Charles S. Gilchrist and the said United States National Bank of Centralia well knew, which statements and representations were believed and taken as true by said Olympia Bank & Trust Company and its officers;



that said Olympia Bank & Trust Company was organized and incorporated during the month of August, 1914, the said W. Dean Hays being the active promoter and organizer thereof, said organization and incorporation being had at the request, instance and suggestion of the said Charles S. Gilchrist; that the prime purpose of the said Charles S. Gilchrist in obtaining said organization and incorporation of said Olympia Bank & Trust Company was to obtain for said United States National Bank of Centralia, which was then insolvent, all funds that would be deposited in the Olympia Bank & Trust Company after the organization and incorporation thereof; that said Charles S. Gilchrist and said W. Dean Hays entered into a secret agreement prior to the organization and incorporation of said Olympia Bank & Trust Company, which secret agreement was not disclosed to and was not known by any person interested in said Olympia Bank & Trust Company in any manner whatsoever as creditor, stockholder, or officer, by the terms of which secret agreement all property, notes, funds and cash deposited in said *said* Olympia Bank & Trust Company, after the organization and incorporation thereof, were to be remitted and deposited with said United States National Bank of Centralia; that by the terms of said secret agreement between [22] the said Charles S. Gilchrist and the said W. Dean Hays, said W. Dean Hays obtained a personal book credit with said United States National Bank of Centralia whereby said Olympia Bank & Trust Company was able to make such showing as to the

payment of its capital stock, as was required by the laws of the State of Washington in order that it might commence business in said State as a banking institution; that the said credit thus given the said W. Dean Hays was a book credit only and by the terms of said agreement between the said W. Dean Hays and the said Chas. S. Gilchrist, the funds represented by said credit were not subject to withdrawal by the said W. Dean Hays, or the said Olympia Bank & Trust Company; that the said secret agreement constituted a fraud on the rights of said Olympia Bank & Trust Company and the creditors, stockholders and officers thereof on account of the conditions herein alleged and on account of the insolvent condition of said United States National Bank of Centralia; that in furtherance and fulfillment of said fraudulent and secret agreement and by means of said false and fraudulent statements and representations as to the financial condition of said United States National Bank of Centralia, said United States National Bank of Centralia procured title to, and said Olympia Bank & Trust Company, through the said W. Dean Hays, as its managing head, deposited with said United States National Bank of Centralia, during said months of August and September, 1914, cash amounting to \$55,499.26 and certain promissory notes of various persons, having a total face value of \$48,000.00; that said United States National Bank of Centralia would not have obtained said property, or any part thereof, if said false and fraudulent representations as to its financial condition had not been made and relied upon by Olympia Bank & Trust Company and the



officers thereof, and that said United States National Bank of Centralia would not have obtained said property, or any part thereof, if said fraudulent and secret agreement herein set forth had not [23] been made, and that the title to said property was obtained by said United States National Bank of Centralia solely through fraud and by the use of said false and fraudulent representations and statements and said secret and fraudulent agreement.

#### VIII.

That subsequent to the time that said United States National Bank of Centralia obtained title to the property of the Olympia Bank & Trust Company, as herein set forth, and prior to the time that said United States National Bank was placed in the hands of a receiver, said United States National Bank of Centralia returned and paid to said Olympia Bank & Trust Company cash, and equivalent of cash, amounting to \$14,320, and that said United States National Bank of Centralia now has in its possession property of the Olympia Bank & Trust Company, as follows: Cash, \$41,169.26 and those certain promissory notes of various persons having a total face value of \$48,000, mentioned in the preceding paragraph, all of which property was obtained by said United States National Bank by use of fraud practiced on said Olympia Bank & Trust Company, as herein set forth.

WHEREFORE, your intervenors pray as follows, to wit:

1. That subpoenas issue to the above-named defendant and to the above-named complainant requiring each of them to appear in court and answer hereto.

2. That there be an accounting between said Olympia Bank & Trust Company and the receiver thereof and the said United States National Bank of Centralia and the receiver thereof, and that the cash balance found due said Olympia Bank & Trust Company from said United States National Bank of Centralia and all notes now in the possession of the receiver of said United States National Bank of Centralia, which were obtained from said Olympia Bank & Trust Company, and the whole thereof, be declared to be [24] held by said receiver of said United States National Bank of Centralia in trust for the receiver of said Olympia Bank & Trust Company, and that the said receiver of said United States National Bank of Centralia be ordered to deliver the same to the receiver of said Olympia Bank & Trust Company.

3. For their costs and disbursements herein and that the same be declared a preferred claim against said receiver of said United States National Bank of Centralia.

4. For such other and further relief as to the Court shall seem just.

THOS. L. O'LEARY,  
Solicitor for Intervenors.

(Verified.)

(Filed May 17, 1915.) [25]

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**Answer to Bill of Complaint of Intervenors C. S. Reinhart and C. Will Shaffer.**

The defendant, A. R. Titlow, as receiver of the United States National Bank of Centralia, for his an-

swer to the bill of complaint of the intervenors C. S. Reinhart and C. Will Shaffer, alleges and denies as follows:

I.

Alleges that the complaint in intervention does not state facts sufficient to constitute a cause of action in equity or at all and moves that it be dismissed.

II.

Referring to paragraph 2, defendant says that he is without knowledge as to whether the intervenors or either of them were or are stockholders of the Olympia Bank & Trust Company, and is without knowledge as to the number of shares which they or either of them own or claim to own. Denies that all or any of the stockholders of the Olympia Bank & Trust Company have an identical or any interest in this suit, and denies that the number of stockholders of said company is so numerous as to make it impracticable to bring them [26] all before the Court in this action.

III.

Referring to paragraph 3 and 4, defendant says that he is without knowledge as to any of the matters set forth in those paragraphs or either of them.

IV.

Referring to paragraph 5, defendant admits that the United States National Bank was and is a corporation duly and regularly organized under the laws of the United States, and was and is a national bank engaged in the banking business, with its principal place of business at Centralia, Washington. Denies that the United States National Bank was insolvent at any

time prior to September 21, 1914, or that it was placed in the hands of a receiver at any time prior to that date. Denies that C. A. Snowden is the duly appointed, qualified and acting receiver of the United States National Bank, but admits that A. R. Titlow has been substituted as such receiver, and alleges that A. R. Titlow is now the duly appointed, qualified and acting receiver of the United States National Bank.

## V.

Referring to paragraph 6, defendant says that he is without knowledge as to any of the matters therein set forth.

## VI.

Referring to paragraph 7, admits that during the months of August and September, 1914, one W. Dean Hayes was cashier of the Olympia Bank & Trust Company and the active managing head of that company, and that Charles S. Gilchrist was vice-president of the United States National Bank of Centralia and active managing head of [27] that bank. Denies that during all of the months of August and September, or at any time during those months prior to September 21, 1914, the United States National Bank of Centralia was insolvent, and denies that Charles S. Gilchrist, during the months of August and September, 1914, at any time prior to September 21, 1914, knew that the United States National Bank was in an insolvent condition. Denies that during the month of August, 1914, or at any time, Charles S. Gilchrist and the United States National Bank, or either of them, falsely or fraudulently or otherwise misrepresented or misstated the the financial condition of the United



States National Bank to the Olympia Bank or the officers thereof; denies that Charles S. Gilchrist or the United States National Bank made any representations of any sort whatever to the Olympia Bank & Trust Company as to the solvency of the United States National Bank, but alleges the fact to be, if such representations were made, that they were true in fact. Denies that Charles S. Gilchrist or the United States National Bank, or either of them, knew of the insolvency of the United States National Bank, and denies that such condition existed, prior to September 21, 1914. Admits that W. Dean Hayes was the active promoter and organizer of the Olympia Bank & Trust Company, but denies that the organization or incorporation of that company was had at the request, instance or suggestion of Charles S. Gilchrist. Denies that the purpose of such organization was to obtain for the United States National Bank all or any funds that might be deposited in the Olympia Bank & Trust Company. Denies that Charles S. Gilchrist and W. Dean Hayes entered into a secret or any agreement prior to the organization and incorporation of the Olympia Bank & Trust Company or at any time, by the terms of which all or any property, notes, funds, or cash deposited in the Olympia Bank & Trust Company were to be remitted to or deposited with the United States National Bank of Centralia. Denies that by the terms of such agreement or otherwise W. Dean Hayes obtained a [28] personal book credit with the United States National Bank, whereby the Olympia Bank was able to make such showing as to the payment of its capital stock as the



laws of the State of Washington required. Denies that if any credit were given W. Dean Hayes it was a book credit only and that by the terms of the agreement the funds represented by said credit were not subject to withdrawal by Hayes or the Olympia Bank, and alleges that any deposits which were made by the Olympia Bank & Trust Company with the United States National Bank were made in the ordinary course of banking business, and denies that there was any secret agreement or fraud of any nature whatsoever by United States National Bank or that there was any other arrangement existing between the two banks than usually exists between correspondent banks. Denies that the Olympia Bank & Trust Company, during the months of August and September, 1914, or at any time, deposited with the United States National Bank cash amounting to the sum of \$55,499.26, or any sum in excess of \$38,498.91. Admits that certain promissory notes of various persons, of the total face value of \$48,000, were deposited by the Olympia Bank with the United States National Bank. Denies that any false or fraudulent representations on the part of the United States National Bank were made to the Olympia Bank or its officers or in any way caused or induced such deposit or any part thereof. Alleges that the credit of \$48,000 obtained by depositing said notes, was obtained by fraud by a conspiracy of plaintiff's bank with an officer of United States National Bank.

#### VII.

Referring to paragraph 8, denies that the United States National Bank of Centralia returned and paid

to the Olympia Bank cash or its equivalent only in the sum of \$14,320, and alleges the fact to be that the United States National Bank returned and paid to the Olympia Bank in cash or its equivalent during the months of August and September, 1914, the total sum of \$58,550. Denies that the United States National Bank now has in its possession property of the Olympia Bank & Trust Company in the sum of \$41,169.26, or [29] any part thereof; denies that it has certain promissory notes of various persons obtained from the Olympia Bank having a total face value of \$48,000, or any face value in excess of the sum of \$11,450. Admits that the United States National Bank of Centralia is indebted to the Olympia Bank & Trust Company in the sum of \$16,498.91 and no more, but denies that that sum or any part thereof is held in trust by the defendant, and alleges that the receiver of the Olympia Bank & Trust Company is entitled to a general claim only for that amount. As to the \$11,450 in notes hereinbefore mentioned, the defendant says that he is willing to deliver those notes and each of them to the receiver of the Olympia Bank & Trust Company upon demand and proper credit therefor being given.

Defendant, further answering, and as a first affirmative defense to the bill of complaint of intervenors C. S. Reinhart and C. Will Shaffer says:

That said intervenors do not come into court with clean hands and have no standing in a court of equity for the reason that they have not paid, either in whole or in part, for any of the stock which they claim to own in Olympia Bank & Trust Company, and that all their claim, and that of each of them to stock owner-

ship arises through a wrongful and illegal plan, by which the intervenors and the other persons claiming to be stockholders of the Olympia Bank & Trust Company attempted to organize that bank without the payment of its capital stock, as required by the laws of the state of Washington, before the same commenced business.

For a further and second affirmative defense to the bill of complaint of the intervenors herein, defendant says: That said intervenors and each of them are without standing to maintain their intervening bill of complaint herein for the reason [30] that their attempted organization of the Olympia Bank & Trust Company was based and founded upon an illegal plan, whereby the intervenors and their associates, being the persons now claiming to be stockholders in the Olympia Bank & Trust Company, attempted to organize the Olympia Bank & Trust Company for the sole purpose of forming a convenient means whereby they should deposit with themselves as a bank and for their private profit the trust funds of the State of Washington in their custody and for the purpose of creating on the part of the intervenor Reinhart in his office which he then held of clerk of the Supreme Court of the State of Washington and on the part of the intervenor Shaffer in his office which he then held of librarian of the State of Washington, and of the other public officers among whom the stock of said bank was to be and was in fact divided, a financial interest inconsistent with the public duty of said Reinhart and said Shaffer, and inconsistent with the public duty of the other public officers and custodians of

public funds of the State of Washington who by the terms of the plan under which said bank was organized, were to occupy the position and enjoy the privileges of stock ownership in that bank.

WHEREFORE defendant prays the dismissal of the intervenors' complaint and for his costs and disbursements herein.

R. P. OLDHAM,  
R. C. GOODALE,

Attorneys for Defendants.

Office and Postoffice address: 1408 Hoge Building,  
Seattle, King County, Washington.

(Verified.) [31]

(Filed Dec. 15, 1915.)

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**Decree.**

This cause came on for hearing on the 14th day of December, 1915, and proceeded from day to day with sundry adjournments until the 31st day of December, 1915, and as argued by counsel, and thereupon, upon consideration thereof, it was and is now hereby

ORDERED, ADJUDGED and DECREED as follows, viz:

1. That the claim of plaintiff, in the sum of \$36,550, as set forth in plaintiff's first cause of action herein, be and it is hereby denied and dismissed with prejudice.

2. That the claim of plaintiff, in the sum of \$10,000, as set forth in plaintiff's second cause of action, be and the same is hereby denied, disallowed and dismissed with prejudice.



3. That the claim of plaintiff in *the of* \$9,5000, set forth in plaintiff's third cause of action, be and the same is hereby allowed and established in favor of plaintiff and against defendant as receiver.

4. That the claims asserted in behalf of the intervenors be and they are hereby dismissed and denied with prejudice, except with regard to the return of certain notes aggregating the face value of \$11,450, described as follows:

Note of F. G. Blakeslee for.....	\$1000.
Note of W. A. Weller for.....	\$1100.
Note of C. Will Shaffer.....	\$1100.
Note of C. S. Reinhart.....	\$1650.
Note of Chas. E. Hewitt.....	\$1100.
..Note of I. M. Howell .....	\$5500.

which said notes were tendered to plaintiff in open court by defendant, and that said notes, if not accepted by plaintiff within ten days after the signing of this decree, be deposited in the registry of this court for plaintiff's use. [32]

5. That the credit of \$48,000 of which the \$36,500 set forth in paragraph 1 of this decree forms a part alleged to have been certified in behalf of the United States National Bank of Centralia in favor of Olympia Bank and Trust Company, be and the same is hereby canceled and held void.

6. That all claims on the part of plaintiff and of intervenors to a preferred or prior claim against the assets in the hands of the defendant receiver be and the same are hereby denied with prejudice.

7. That upon the accounting between the parties, plaintiff be allowed a general claim against defendant



as receiver in the sum of \$25,998.91, and no more, the same to receive from time to time pro rata with the other proved and allowed claims against the United States National Bank of Centralia such dividends as may be declared thereon.

8. That the costs in this case be paid as follows: Each party bear its own costs.

9. That both the intervenors and all the stockholders of the Olympia Bank & Trust Company, except Hays, were acting in good faith and were guilty of no fraud in the organization of the Olympia Bank & Trust Company, or in any dealings by and between W. Dean Hays and the United States National Bank, or with the officers thereof.

Done in open court at the July term of this court, this 3d day of January, 1916, at 10 o'clock in the forenoon.

EDWARD E. CUSHMAN,  
U. S. District Judge.

(Filed Jan. 31, 1916.) [33]

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**Petition for Appeal Filed the 27th Day of June, 1916,  
in the District Court of the United States for the  
Western District of Washington, Southern Di-  
vision.**

TO THE HONORABLE EDWARD E. CUSHMAN,  
District Judge of the Above-entitled Court:

The above-named complainant, feeling himself aggrieved by the decree made and entered in this cause on the 31st day of January, 1916, does hereby appeal from the said decree to the court of appeals for the

Ninth Circuit for the reasons specified in the Assignment of Errors, which is filed herewith, and he prays that appeal be allowed and that citation issue, as provided by law, and that a transcript of the record, proceedings and papers upon which said decree was based, duly authenticated may be sent to the United States Circuit Court of Appeals for the Ninth Circuit, sitting at San Francisco, California.

And your petitioners further pray that the proper order touching the security to be required by him to perfect [34] appeal be made.

P. M. TROY,  
R. F. STURDEVANT,  
Solicitors for Complainants.

The Petition granted and the appeal allowed upon giving bond conditioned as required by law in the sum of \$500.

EDWARD E. CUSHMAN,  
United States District Judge.

(Filed June 27, 1916.) [35]

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### **Assignment of Errors.**

And now, on this 27th day of June, 1916, came the complainant by its solicitor, P. M. Troy, of Troy & Sturdevant, and says, that the decree entered in the above cause on the 31st day of January, 1916, is erroneous and unjust to complainant:

First. That the claim of complainant in the sum of \$36,550 as set forth in complainant's first cause of action herein was not allowed the complainant, but was denied and dismissed with prejudice.

Second. That the claim of complainant in the sum of \$10,000 as set forth in complainant's second cause of action was not allowed this complainant in said decree but was denied and dismissed with prejudice.

Third. That the complainant was required to accept the return of certain notes aggregating face value \$11,450, described as follows:

Note of F. G. Blakeslee.....	\$1,000.00
Note of W. A. Weller.....	1,100.00
Note of C. Will Shaffer.....	1,100.00

[36]

Note of C. S. Reinhart.....	\$1,650.00
Note of Chas. E. Hewitt.....	1,100.00
Note of I. M. Howell.....	5,500.00

at suit of the intervenors, when the said notes should have been retained as the property of defendants, and the plaintiff permitted to recover according to the demand of his complaint.

Fourth. That the credit of \$48,000, of which the \$36,550 set forth in the complainant's first cause of action formed a part, certified in favor of the Olympia Bank & Trust Company was cancelled and held void, but should have been allowed the complainant.

Fifth. That all of the claims on the part of the complainant and intervenors to a preferred and prior claim against the assets in the hands of the defendant receiver were denied with prejudice, but should have been allowed.

Sixth. That the complainant was allowed a general claim against the defendant as receiver in the sum of \$25,998.91 and no more on the accounting

herein, when the complainant should have been allowed the sum of \$83,998.91.

Seventh. That complainant was required to pay his own costs herein, and his costs were not allowed.

WHEREFORE complainant prays that the said decree be reversed and the District Court directed to enter judgment as prayed for in the complainant's Bill of Complaint in the full sum of \$83,998.91.

P. M. TROY,  
R. F. STURDEVANT,  
Solicitors for Complainant.

(Filed June 27, 1916.) [37]

State of Washington,  
County of Thurston,—ss.

On this 28th day of June, A. D. 1916, personally appeared before me the undersigned authority, P. M. Troy, who, being duly sworn says: That he delivered a copy of the within citation to Oldham & Goodale, Solicitors of the United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, on the 27th day of June, 1916.

P. M. TROY.

Sworn to before me this 28th day of June, A. D. 1916.

[Seal] R. F. STURDEVANT,  
Notary Public in and for the State of Washington,  
Residing at Olympia, therein. [38]

**Citation and Motion of Appeal.**

United States of America,

To United States National Bank of Centralia, a Corporation and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain cause in equity in the United States District Court for the Western District of Washington, Southern Division, wherein Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, is complainant, and United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, are defendants, an appeal has been allowed the complainant therein to the United States Circuit Court of Appeals, Ninth Circuit? You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation to show cause, if any there be, why the order and decree appealed from should not be corrected and speedy *justice* the parties in that behalf.

WITNESS the Honorable EDWARD E. CUSHMAN, Judge of the United States District Court, Western District of Washington, Southern Division, this 27th day of June, A. D. 1916.

[Seal]

EDWARD E. CUSHMAN,  
United States District Judge.



Receipt of a copy of the foregoing Notice of Appeal and Citation admitted by receipt of copy, this 27th of June, 1916, at Seattle, Wash.

R. P. OLDHAM,

R. C. GOODALE,

Solicitors for Defendant.

(Filed June 29, 1916.) [39]

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### **Bond on Appeal.**

KNOW ALL MEN BY THESE PRESENTS, That we, Frank P. McKinney, as principal, and Fidelity & Deposit Company of Maryland, a corporation, organized and existing under and by virtue of the laws of Maryland, as surety acknowledge ourselves to be jointly indebted to the United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, defendants in the above cause in the sum of \$500, conditioned that,

WHEREAS, on the 31st day of January, A. D. 1916, in the District Court of the United States for the Western District of Washington, Southern Division, in a suit pending in that court wherein Frank P. McKinney as receiver of the Olympia Bank & Trust Company, a corporation was complainant, and the United States National Bank of Centralia, a corporation and A. R. Titlow as receiver of the United States National Bank of Centralia was defendant, numbered in the equity docket as 32-E, a decree was rendered against the said Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, and the said Frank P. McKinney as receiver of the

Olympia Bank & Trust Company, a corporation having obtained an appeal to the United States Circuit Court of Appeals, Ninth Circuit, and filed a copy thereof in the office of the clerk of the court to reverse the said decree and a citation directed to the said United States National Bank of Centralia, a corporation and A. R. Titlow, as receiver of the United States National Bank of Centralia, citing and admonishing them to be and appear at a session of the United States Circuit Court of Appeals for the Ninth Circuit to be holden in the City of San Francisco, in the State of California, on the 27th day of July, A. D. 1916, next.

Now, if the said Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, shall prosecute his appeal to effect and answer all costs, if he failed to make his plea [40] good, then the above obligation to be void, else to remain in full force and virtue.

FRANK P. MCKINNEY,  
As Receiver of the Olympia Bank & Trust Company,  
a Corporation,

Principal.  
FIDELITY & DEPOSIT COMPANY OF  
MARYLAND.

[Seal].

By H. T. HANSEN,  
Attorney in Fact.

Attest: \_\_\_\_\_.

Approved this 30 day of June, 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

(Filed July 1, 1916.) [41]

**Statement of Facts.**

Come now the complainants and intervenors in cause No. 32-E and the complainant in cause No. 50-E and propose the annexed condensed narrative statement of facts herein, and the following exhibits of the complainant in Cause No. 32-E: 1, 2, 3, 4, 5 and 6; and the following exhibits of the intervenors in Cause No. 32-E, to wit: 1, 2, 3, 4, 5, 6 and 7.

[42]

And the following exhibits of the defendant in Cause No. 32-E: "A," "B," "C," "D," "E" and "F."

And the following exhibits of the complainant in Cause No. 50-E, to wit: 1, 2, 3, 4 and 5.

And the following exhibit by the defendant in Cause No. 50-E:

And propose the same as a statement of facts herein.

P. M. TROY,

R. F. STURDEVANT,

Solicitors for Complainant in Cause No. 32-E.

C. WILL SHAFFER,

C. S. REINHART,

Intervenors. [42½]

FRANK C. OWINGS,

Solicitor for Complainant in Cause No. 50-E.

Service of the foregoing proposed statement of facts by receipt of a copy thereof admitted this 16th day of September, 1916.

R. P. OLDHAM,  
R. C. GOODALE,

Solicitors for Defendant in Causes No. 32-E and  
50-E. [43]

Be it remembered that this cause came on for trial on the 14th day of December, 1915, before Honorable Edward E. Cushman, judge thereof, the plaintiff appearing by his counsel, P. M. Troy, of Troy & Sturdevant, and the defendant appearing by R. E. Goodale of Oldham & Goodale, and the intervenors appearing by Thomas L. O'Leary and Thomas M. Vance, whereupon the following proceedings took place:

By Mr. GOODALE.—If your Honor please, counsel engaged in this case have had some considerable hesitation as to whether there would be any necessity of proceeding with any matter to the Court this afternoon in view of discussion of matters which might prevent the necessity of a trial, but we have not been able to arrive at any result in the discussion whatever, and I am now obliged to take up this case first, by presenting a motion to consolidate the causes or bring in an additional party. [44] On the sixth of this month, this current month, the State bank, the receiver of the State Bank of Tenino, commenced an action for an accounting against the receiver of the United States National Bank of Centralia. One of the three causes of action embraced in the bill of complaint in the case set for trial

to-day, the case of the Olympia Bank & Trust Company, through its receiver, against the United States National Bank of Centralia, through its receiver, concerns certain items aggregating Ten Thousand Dollars, alleged to have been sent by the Olympia Bank & Trust Company to the Tenino Bank, and appearing on the records of the United States National Bank. That is in the bill in equity against Mr. Titlow, as receiver of the United States National Bank. The plaintiff in this case, McKinney, as receiver, against Titlow, demands credit to the United States National Bank for the transfer which he says the Olympia Bank made to the Tenino bank at our request. Since this suit was commenced, and since it was set, a new action has been commenced, as I have already stated, by the State Bank of Tenino for an accounting on its part involving that same transaction. It is apparent that if this suit should be tried separate from this suit of the Tenino bank against us, it is possible that the evidence should be different and some facts brought out in one and not in the other, and it is possible that a judgment might be rendered charging us with that item as having been sent to the Tenino bank, although among the other hearing of the Tenino bank against us the Tenino bank might conclusively satisfy this Court that this money never reached the Tenino bank, in which case we would be charged with an item which if charged with it at all they would necessarily have to recover from the Tenino bank and be unable to make this recovery. We think all three parties ought to be before the Court at the same



time. I understand the receiver of the Tenino bank is present in court here to-day, [45] but is not represented by his counsel and will not be able to proceed this afternoon.

By the COURT.—Is your motion opposed?

By Mr. GOODALE.—I am not advised, but I understand that counsel cannot agree.

By the COURT.—When was this case, the Tenino case, started?

By Mr. GOODALE.—On the sixth of the current month.

By Mr. TROY.—This case that is set for trial to-day was started last March, and before discussing the motion I would like to suggest to the Court that there are two causes here, there is one on the part of the receiver and one on the part of the intervenor. I represented the receiver, and Mr. O'Leary the intervenors. The issues are so interwoven together that the case of the receiver and the intervenors must necessarily be presented together, and I desire to ask that General Vance be associated as counsel for both the receiver and the intervenors also. That is correct, isn't it, Mr. O'Leary?

By Mr. O'LEARY.—Yes, sir.

By the COURT.—The record may so show. There is no controversy between the receiver and the intervenor in any case.

By Mr. TROY.—None whatever. Now, in regard to this motion that has just been served on us, I know nothing about the issues between the Tenino State Bank and the Centralia Bank, rather the two

receivers. As I say, the cause has been pending for a long time and we have witnesses that have come from a considerable distance to be present at this trial, and it seems to me that the issue to be tried out here is merely the question between the Olympia Bank & Trust Company and the receiver and between the United States National Bank and its receiver. I can well understand how it might be that we would remit [46] money for the Tenino bank at the request of the Centralia bank and would be entitled to credit for it; and the question with reference to the rights between the Centralia bank and the Tenino bank would be a different question entirely. We are either entitled to this credit or we are not.

By the COURT.—Mr. Goodale, how about the issues in the Tenino case; are they made up?

By Mr. GOODALE.—The complaint asks for an accounting, the issue involves all items which we are entitled to as credited against the Tenino bank.

By the COURT.—You may take an order on the receiver of the Tenino bank to show cause why the matter should not all be proceeded with at that time, to-morrow at ten o'clock.

Whereupon an adjournment was taken until December 15th, at 10 o'clock A. M.

Upon reconvening, pursuant to adjournment, the following proceedings were had.

By Mr. OWINGS.—If your Honor please, we are in this situation, speaking for the State Bank of Tenino. Our subpoena was served something like ten or twelve days ago, I think, and there has been

no answer filed. The issues are not made up and we do not know what we will be called upon to prove. We are anxious to proceed with this matter and would like to try it with the other case, but unless we can agree as to—for instance, there is a formal allegation set out here, such as the incorporation of the State Bank of Tenino, the appointment of the receiver, and all that formal proof is necessary as to my case. I got word of this last night about half-past five o'clock. I was discussing this with counsel for Mr. Titlow when your Honor came in. I think that possibly we can agree to these things, that is, if he will agree to those allegations.

By Mr. GOODALE.—I think we can agree on the mere formal allegations. I have not looked through the bill in the clerk's office. If it be stipulated that we are considered as denying all knowledge [47] and information sufficient to form a belief as to any of the allegations contained in paragraph five of the bill, and as denying the allegations contained in paragraph six, I think we can agree on the formal allegations.

By Mr. OWINGS.—You will not deny the filing of our claim with the receiver as set out in paragraph five, will you?

By Mr. GOODALE.—It is a fact, isn't it, Mr. Titlow, that the claim was filed with you?

By Mr. TITLOW.—I think it was. To be frank with you, I don't remember, but I think it was.

By Mr. OWINGS.—Paragraph six, the paragraph that you deny, alleges that after an investigation of the accounts and that sort of thing, that the amount

of the claim is four thousand nine hundred and fifty-three dollars and eight cents, so that the issue here is as to whether or not we are entitled to that amount, and of course we have asked for an accounting, so that is subject to a correction, but you admit the filing of the claim.

By Mr. GOODALE.—We admit the filing of the claim, but allege that it is for a slightly different amount than that alleged by you. I will then modify the denials that we suggest that it be stipulated in connection with this bill so as to read as follows:

“Defendants deny any allegations, any knowledge or information sufficient to form a belief as to whether the books of the State Bank of Tenino showed a balance in favor of the State Bank of Tenino, and against the United States National Bank of Centralia in the sum of nine thousand seven hundred and thirty-nine dollars and thirty-six cents, as alleged by the plaintiff, or any other sum. Defendants admit that the plaintiff filed a claim with the defendant receiver, but denies that any such claim was filed in the sum alleged and allege that in fact such claim was filed in the sum of nine thousand [48] four hundred and forty-three dollars and eight cents. Defendants deny each and every allegation contained in paragraph six of plaintiff’s bill.

By Mr. OWINGS.—Now, with the admission of counsel, we are ready to proceed, if we may be permitted to subpoena, if it appears necessary, two witnesses. One of them is Mr. Isaac Blumauer, the other one an official of the Puget Sound National.



Bank. I say frankly to the Court that I do not feel at this time that we will need them with the witnesses that are here, but I can see that this is an action in accounting and I can see where certain issues might arise whereby we would have to have those two witnesses in attendance.

By Mr. GOODALE.—I have no objection to a continuance being granted to secure such witnesses, with the understanding that we may have a similar privilege.

By the COURT.—On the trial of this case it may be understood that a jury coming in to-morrow that if any of these defendants plead not guilty, that this trial will have to be interrupted and take its day after the jury has been completed. With that understanding we will proceed with the trial then.

By Mr. GOODALE.—Before the case is taken up by the plaintiff, I desire, on behalf of the defendant in the action of McKinney against Snowden as receiver and Titlow substituted as receiver, to demand that this cause be treated as a law action and especially to demand a jury trial separately as to the first cause of action stated in the bill, and the second cause of action stated in the bill and separately as to the third cause of action as stated in the bill.

(Argument.)

By the COURT.—The motion for a jury will be denied.

By Mr. GOODALE.—Exception. [49]

Now, before proceeding with this trial, I desire to state to the Court that Judge Dysart, a trustee and officer of the defendant United States National Bank,



is, I am informed, ill and unable to be here. Whether his condition is such that it is likely he can be here to-morrow, I do not know, so there is a necessity of postponement, with the understanding that unless the case be kept open in order to hear his testimony, we would be compelled to move for postponement. Otherwise, we have no objection to proceeding. You would prefer that to a postponement until the witness reaches here, would you?

By the COURT.—I think that is the understanding. You would have that right. I suggest, Mr. Goodale, that you file your answer to the Tenino suit sometime during the day, so there can be no misunderstanding about what your answer is.

By Mr. VANCE.—I understand that counsel will consent that we may be taken as denying any affirmative matter contained in their answer.

By Mr. GOODALE.—I do.

By Mr. TROY.—I think your Honor has gathered the nature of the action. I don't think there is any need of any further statement from the standpoint of the receiver's case. Would your Honor like a statement in full of the intervenor's case?

By the COURT.—I don't exactly understand the position of the intervenor here.

#### OPENING STATEMENT BY MR. O'LEARY ON BEHALF OF THE INTERVENORS.

At the close of Mr. O'Leary's statement on behalf of the intervenors, the following proceedings were had:

By Mr. GOODALE.—We move now, your Honor, that the intervening bill of complaint of the inter-

venors Shaffer and Reinhart et al. be dismissed as having no standing in this court in this action. [50] If they have any right or remedy aside from the action of the receiver on their behalf and on behalf of the persons asserted in the complaint to be stockholders, then I think it should be brought in an action for the protection of the rights of the Olympia Bank & Trust Company.

By the COURT.—The motion will be denied. I think such a motion should be made primarily. The final ruling on your motion will be reserved and decided along with the other issues of the case. I would think, though, that the proper course for the intervenors to have pursued would have been to have taken an order of the Court to instruct the receiver to bring such action as the intervenors are attempting to bring here. However, the motion may be denied at this time.

By Mr. GOODALE.—Exception.

By Mr. TROY.—At this time we offered in evidence a certified copy of the articles of incorporation of the Olympia Bank & Trust Company, also a certified copy of the charter of the Olympia Bank & Trust Company.

By the COURT.—They may be admitted.

(Marked Plaintiff's Exhibits 1 and 2.)

### **Testimony of Frank P. McKinney, for Plaintiff.**

FRANK P. MCKINNEY was called and sworn as a witness on behalf of plaintiff, and in answer to interrogatories propounded to him by P. M. Troy of the attorneys for plaintiff testified as follows:

My name is Frank P. McKinney; am receiver of

(Testimony of Frank P. McKinney.)

the Olympia Bank & Trust Company and have possession of its books. Obtained the same on October 14, 1914. I made up a statement of the debits and credits between the Olympia Bank & Trust Company and the United States National Bank of Centralia, from the items, letters and receipts, etc., that passed between the two banks. The statement I made contains the debits on the one side and the credits on the other. Witness reads the debits and credits over which there is no controversy, as follows: [51]

A. Two thousand dollars, five thousand dollars—I will read the date. This is in August, 1914, August eighteenth, two thousand dollars, remitted to Seattle; August thirty-first, remitted to Tacoma five thousand dollars; August twenty-fourth, remitted to Seattle three thousand nine hundred and seventy-five dollars; and on the 24th remittance to the United States National a hundred and sixty dollars and eight cents, and again two hundred and fifty-five dollars and ninety-five cents, and again three hundred and fifty-eight dollars and ten cents. August twenty-fifth, remittance of twelve thousand five hundred dollars; August twenty-sixth, a remittance of a hundred and forty-seven dollars and twenty-five cents; August twenty-seventh, a remittance of one hundred and forty-seven dollars, and on the twenty-seventh again remittance to Seattle two thousand dollars; August twenty-eighth, two hundred and sixteen dollars and sixty cents; August twenty-ninth, remittance of fifty-two dollars; August thirty-first, tele-

(Testimony of Frank P. McKinney.)

graphic transfer to Tacoma two thousand dollars, and on the thirty-first, remittance fifty-six dollars and fifty cents; September first, ninety-four dollars and sixty-five cents and on the first again remittance of three hundred and thirty-eight dollars thirty cents; September third, remittance to Tacoma four thousand dollars; September fourth, three hundred and seventy-seven dollars and seventeen cents, and September tenth, remittance to Seattle, five thousand dollars. That is the items on the debit side.

Q. Over which there is no controversy? A. No.

Q. Now, I wish you would read on the credit side the items concerning which there is no controversy, after consultation with counsel.

A. August nineteenth, 1914, account, credit account, two thousand five hundred dollars; August twenty-fifth, remittance to Seattle [52] one thousand dollars; September third, draft of one thousand dollars; September seventh, a draft of three thousand dollars; September fourteenth, a draft of five thousand dollars.

(Witness proceeds:) With reference to the four items on the credit side and the five items on the debit side over which there is no dispute. One is a thirty-five cent item over which the time of the Court will not be consumed. The first sheet in this book (refers to book) is a statement made on October 20th, 1914, by the receiver of the United States National Bank to me as receiver of the Olympia Bank & Trust Co., made from the United States National books of account between the two banks. The items



(Testimony of Frank P. McKinney.)

on the credit side of the statement we have just read, about which there is no controversy correspond with the items in the statement of the receiver of the United States National Bank.

There is a forty-eight thousand dollar item shown on the credit side of the statement made by the United States National Bank which does not appear upon the statement made by me from the books of the Olympia Bank & Trust Co. The debit and credit side of the statement made by me as receiver and by the receiver of the United States National Bank are inverse. The statement of the United States National Bank's receiver credits the Olympia Bank & Trust Company with forty-eight thousand dollars not shown by the books of the Olympia Bank & Trust Company and represents an item that was not read in the statement that I read a while ago. The items in the statement of the receiver of the United States National Bank that go to make up the fifty-five thousand dollars not included in my statement are as follows: August 20, remittance to Seattle, \$2,000; August 20th, remittance \$48,000, and August 21, remittance to Tacoma, \$5,000, making up the \$55,000. (It is admitted by Mr. Troy of counsel for plaintiff that there is an error in our statement to the extent of seven thousand dollars, and that our claim is only for \$48,000 [53] with reference to these items. And that instead of our claim being as per Mr. McKinney's statement of \$55,000, it should be for \$48,000, on these particular items.)

(Mr. McKinney proceeding:) There are three



(Testimony of Frank P. McKinney.)

items in my statement which are against the United States National Bank that do not appear upon the statement furnished me by its receiver, to wit: September 12, remittance to Seattle for Tenino, \$6,000; September 15, remittance to Seattle for Tenino, \$2,000; September 18, coin to Tenino \$2,000. The explanation of these last three items that I find in the book of entries is as follows: Relating to the \$6,000-item, the Olympia Bank & Trust Company charged the United States National Bank of Centralia with remittance to Seattle of \$6,000. The entries I have on this I found among the record. A letter from the Dexter Horton National Bank dated September 1, to the Olympia Bank & Trust Co. "Have credited to the State Bank of Tenino, Washington, and enclose our receipt herewith. Yours truly, C. E. Burnside, Assistant Cashier."

There is also a receipt from the First National Bank of Seattle showing that it received from the Dexter Horton National Bank, which read as follows: "Seattle, Washington, September 12, 1914. Received from the Dexter Horton National Bank for credit of the Tenino Bank \$6,000 as per telegram from Olympia Bank & Trust Company, Olympia." This was signed by the cashier of the First National Bank. Then there is a memoranda check containing the following:

"Dexter Horton National Bank, September 12, 1914. Pay First National Bank, Seattle, \$6,000 for State Bank of Tenino, per phone by J. C. N. Charge

Olympia Bank & Trust Company \$6,000." That is the memoranda charge slip from the Dexter Horton National Bank, and on September 12, 1914, the Olympia Bank & Trust Company, in Mr. Hays' writing debits Centralia, remittance to Seattle, for Tenino, \$6,000. Mr. Hays was cashier of the Olympia Bank & Trust Company. (Debits offered in evidence and introduced as Plaintiff's Exhibit 3.)

[54] The \$6,000 is charged in the cash-book of the Olympia Bank & Trust Company against the United States National Bank, the cash-book being the book of original entries. As to the \$2,000, there is a draft drawn to the Olympia Bank & Trust Company on one of the regular blanks of the Dexter Horton National Bank of Seattle, sent in about September 15, 1914, made to the First National Bank of Seattle, by Mr. Cavanaugh, who was assistant cashier of the Olympia Bank & Trust Company. This is a copy of letter of September 14, 1914.

"First National Bank,  
Seattle, Washington.

Gentlemen:

In compliance with your telegraphic communication I am enclosing credit for \$2,000.00 to the State Bank of Tenino."

Yours truly,

Signed by the cashier.

Also a letter on the letterhead of the First National Bank of Seattle, dated September 15, 1915, as follows:

(Testimony of Frank P. McKinney.)

“Olympia Bank & Trust Company,  
Olympia, Washington.

Gentlemen :

We hereby acknowledge receipt of \$2,000.00 which we have placed to the credit of the State Bank of Tenino.

Yours truly,  
C. H. HARTWELL,  
Assistant Cashier.”

There is an entry on the cash-book of the Olympia Bank & Trust Company charging this \$2,000 against the United States National Bank of Centralia. The next item, September 18, is a charge in the cash-book against the United States National Bank of Centralia as “Coin to Tenino.” The items in the cash-book are as follows :

September 12, United States National Bank, Centralia, remittance to Seattle, \$6,000. The next is September 15, United States National Bank of Centralia, remittance to Seattle for Tenino \$2,000. And, on September 18, “United States National Bank of Centralia, account of Tenino, \$2,000.”

Referring to the statement furnished to the receiver of the United States National Bank there is a charge of \$9,500. There is no such record on the books of the Olympia Bank & Trust Company. [55] The date of the entry is September 4, 1914, \$9,500.

(By Mr. TROY. In using this statement, the statement of the receiver of the United States National Bank, we want the Court to understand that we are not using it with the understanding that we are bound

(Testimony of Frank P. McKinney.)

by it. It only offers a basis of a statement between the two banks.)

(Mr. McKinney continuing.) After my appointment as receiver, I went in my official capacity to Centralia with reference to the affairs between the two banks. At that time the receiver of the United States National Bank, Mr. Chapman said that this charge related to what are called the Blumauer notes for \$9,500, and the receiver of the United States National Bank said that the notes were there in the possession of him as receiver, Mr. Chapman, of the United States National Bank. No Blumauer notes have ever been in my possession since I have been receiver of the Olympia Bank & Trust Company, and if that item represented a note or notes, they were never in my possession. There are also two other items on the debit side of the statement furnished by the receiver of the United States National Bank, which were probably not shown by the books of the Olympia Bank & Trust Company, one item being \$12,500, and another item \$24,050, that do not appear upon the books of the Olympia Bank & Trust Company. On August 31, 1914, there is an entry on the debit side of the statement from the receiver of the United States National Bank of remittance of \$12,500, and on September 5, 1914, on the same statement a draft of \$24,050. These do not appear any place on the books of the Olympia Bank & Trust Company. The books of the Olympia Bank & Trust Company show no account whatsoever with the Blumauers. In



(Testimony of Frank P. McKinney.)

passing my attention is directed to paragraph 2 of the answer to the third cause of action by the defendant in this suit, where the defendant mentions a note of T. H. McClafferty for \$2500, and a note of the Blumauer Logging Company for \$3500, and also a note of the Blumauer [56] Lumber Company for \$3500 and states that no such notes have ever been in my *position*, and that there was never any account on the books of the Olympia Bank & Trust Company of these items. Nor is there any record of the two remittances shown on the statement of the receiver of the United States National Bank, one dated August 31, for \$12,500 and one September 15, 1914 for \$24,050, or of any such drafts on the books of the Olympia Bank & Trust Company. The statement furnished by the receiver of the United States National Bank showed a balance of \$27,498.97 due from the United States National Bank to the Olympia Bank & Trust Company.

Summarizing, there are charges on their statement of \$12,500 August 31, and \$24,050 September 15, 1914, September 4, \$9,500, which do not appear upon the books of the Olympia Bank & Trust Company. The Ten Thousand Dollars and the item which appears in the statement of the receiver of the United States National Bank as charges which do not appear upon our books being the three items, makes a difference between my statement and the statement of the receiver of the United States National Bank of \$82,169 due the Olympia Bank & Trust Company from the United States National Bank.



(Testimony of Frank P. McKinney.)

On cross-examination by Mr. GOODALE, witness testified as follows: I have found the books of the Olympia Bank & Trust Company, so far as the entries are concerned are reliable. The cash-book is reliable. The entries are a true record. Referring to the two pages marked "1" I do not know whether they balance. I have never gone into them. There is a charge of \$55,000 against the United States National Bank. This has been changed from \$50,000 to \$55,000. This was done before I got the book. The item reads under date August 27, 1914, "United States National Bank of Centralia, Capital and undivided profits of \$55,000." (It is conceded by Mr. Troy of counsel, that the \$5000 of the [57] \$55,000 is a part of the \$7,000 that was conceded to be an overcharge.)

(Mr. McKinney proceeding:) This would not make the books balance. They would not balance with the charges on the other side. On the opposite side I find two items of date August 27th, one \$50,000 capital stock, and one undivided profits for \$5000. There seems to be no difference between the Olympia Bank & Trust Company and the Centralia bank that we had remitted the \$2000. and the \$6000. The items that are in controversy between the two receivers are the items in the sheet 1 which I read over first, which reads \$55,000 but which should be \$48,000; then the three items to the Tenino bank, or for the benefit of the Tenino bank aggregating \$10,000, and then the credit items which appear on the books of the United States National Bank in

(Testimony of Frank P. McKinney.)

the way of the Blumauer notes amounting to \$9500. Then the United States National Bank of Centralia should have its credit for \$1100, one for \$400 and one for \$330, which does not appear upon their books. The Tenino accounts are charged on the Olympia Bank and Trust Company Books against Centralia.

On redirect examination witness testified: The witness detaches the statement rendered to him by the receiver of the United States National Bank. Taking the statement prepared by witness himself witness testifies the items about which there is no controversy are checked in red; the items over which there is a dispute are marked with a circle opposite each. The three items on the bottom of the debit side are the Tenino items, and the three items on the credit side are the \$1830. The statement is offered in evidence and admitted as Plaintiff's Exhibit 4. Referring to the statement that was prepared by the receiver of the United States National Bank, witness testified:

The items that appear with the check-mark opposite each item are the items that coincide and check with the books of the Olympia [58] Bank and Trust Company. The items that are marked opposite with a cross are items that do not appear on the Olympia Bank & Trust Company's books, and over which there is a controversy. The statement is offered in evidence for purposes of illustration and also for the purpose of admission on the part of the defendant so far as they go and not binding the plaintiff as to the items as to which there is a con-

(Testimony of Frank P. McKinney.)

troversty. Statement admitted and marked Plaintiff's Exhibit 5.

The \$12,500 and the \$24,050 item in Exhibit 5, I have no record of, aggregating \$36,550. There is nothing in the books of the Olympia Bank & Trust Company to show any consideration for this \$36,550, and there is no consideration shown for the \$9500.

On the credit side this statement tallies with my statement except that the item which is shown as \$55,000, and which should be \$48,000, and also with the exception of the \$15,000 which is not mentioned for the reason that it is credited on one side and debited on the other, and has no bearing on the accounting. There is nothing on the books of the Olympia Bank & Trust Company showing consideration from the Tenino State Bank to the Olympia Bank & Trust Company, and they do not show anything due the Olympia Bank & Trust Company from the Tenino State Bank.

On cross-examination witness testifies: The books show that the Olympia Bank & Trust Company sent money to Tenino and that it was charged to Centralia. And do not show that the Olympia Bank & Trust Company ever got anything back from Tenino. The books do not show that anybody ever acknowledged liability for the money sent to Tenino. Nor do they show that they ever notified anybody else but Tenino. There has never been an account opened with the State Bank of Tenino.

(Testimony of Frank P. McKinney.)

On re-redirect witness testified: I made my statement from the original entry, from the cash-book. There are no false entries in the record and nothing [59] to indicate false entries. I would rather say there are errors which have been crossed out, as an error would be crossed out,—a line passed through it. There was no attempt to obliterate anything on the books. The errors show on their face.

Witness excused.

**Testimony of Roy A. Langley, for Plaintiff.**

ROY A. LANGLEY was called and sworn as a witness on behalf of plaintiff and in answer to interrogatories propounded to him by P. M. TROY testified as follows:

My name is Roy A. Langley. I am receiver of the State Bank of Tenino and have the records of the bank in my possession. Was appointed October 14, 1914. I am special state bank examiner of the State of Washington. I heard Mr. McKinney's testimony. I heard his testimony concerning the draft for \$6000 that was sent to the First National Bank in Seattle and heard the receipt read in connection with it. The books of the Tenino State Bank show a credit to Centralia on its cash-book of date September 14. The cash-book of the State Bank of Tenino credits the United States National Bank of Centralia with a wire of \$6000. On the same day they charged the First National Bank of Seattle with a wire of \$6000. Evidently it was a request to transfer the funds to Seattle for the State Bank of Te-



(Testimony of Roy A. Langley.)

nino by the United States National Bank of Centralia. There is no correspondence fallen into my hands at any time with reference to this transaction. All I have are the entries in the book that I have testified to. I think the remittance was in pursuance of the telephone message. The books of the Tenino bank show that it owed the Olympia Bank & Trust Company \$2000. On September 19, the books showed a credit of the Olympia Bank & Trust Company of \$2000.

(Mr. Troy of counsel for plaintiff makes a statement which all of counsel agree to that the State Bank of Tenino closed its doors on the 19th of September, 1914. The United States [60] National Bank on the 21st of September, 1914 and the Olympia Bank & Trust Company on September 22, 1914.)

In looking at the entries on the cash-book of the Olympia Bank & Trust Company dated December 13, 1914, where it reads: "United States National Bank of Centralia account Tenino, \$2000.00", I think that is the item mentioned in our book which I have just testified to. These are the only two items I find anything about in our books, relating to the Centralia, Tenino, Olympia transaction of ten thousand dollars. The only entries I have are the ones that I have testified to, relating to the two thousand dollars and the six thousand dollars. I wish to amend that last answer. On the 19th I find that the Olympia Bank & Trust Company was credited with \$2000, "Remittance to First National Bank."



(Testimony of Roy A. Langley.)

Redirect examination, witness further testified: That this was on September 19th. Witness consults cash-book of the Olympia Bank & Trust Company, and the following entry: "United States National Bank of Centralia, R to Seattle, \$2000." On the 15th. There is an additional \$2000 on the 19th. "Olympia Bank & Trust Company R \$2000.00." They are separate items. I think there were two remittances. They show on the face. The books show transactions relating to ten thousand dollars instead of eight. The transaction relating to three items, two \$2000 items and one \$6000 item.

On being interrogated by Mr. Vance for the intervenors witness testified: There is nothing on the book to show that the item of \$6000, or from the correspondence *nor* either of the \$2000 items was paid by the Tenino State Bank to the Olympia Bank & Trust Company. The amount was credited to the United States National Bank of Centralia and was evidently paid by them to Seattle. That is the deduction I would draw as a [61] banker.

On cross-examination by Mr. GOODALE, witness testified: On the 17th the State Bank of Tenino got credit for two thousand dollars that it had from the Olympia Bank & Trust Company, \$2000. It also appears that the Tenino State Bank credited the United States National Bank of Centralia by wire with \$6000, and the Tenino State Bank charged the First National Bank of Seattle with the \$6000 the

(Testimony of Roy A. Langley.)

same day. This would appear to be the same \$6000. I would assume from the face of the record that the United States National Bank deposited \$6000 in the First National Bank of Seattle, and the State Bank of Tenino took credit for \$6000.

Mr. Goodale offers memoranda check which reads as follows: "First National Bank, Seattle, \$6000, State Bank of Tenino," followed by initials, "charge Olympia Bank & Trust Company, Olympia."

(Witness proceeding:) I would infer that that was paid by the Dexter Horton National Bank to the First National Bank by request of the Olympia Bank & Trust Company to the credit of the State Bank of Tenino. Mr. Hays was cashier of the Tenino State Bank, I don't know whether he was practically the owner of the Tenino Bank or not.

Mr. Goodale offers in evidence Defendant's Exhibits "A" and "B," which are admitted in evidence and marked Defendant's Exhibits "A" and "B."

Mr. Vance offers in evidence certified copy of order permitting the stockholders to intervene, which is admitted and marked Intervenors' Exhibit 1. [62]

**Testimony of W. Dean Hays, for Plaintiff.**

W. DEAN HAYS, being a witness called on behalf of the plaintiff, after having been duly sworn, was examined by Mr. Vance, and testified as follows:

I live in Olympia, Washington. At one time was connected with the Olympia Bank & Trust Com-

(Testimony of W. Dean Hays.)

pany as cashier and assisted in its organization and was connected with it during its existence after organization. About a month. Had been a banker prior to its organization at Tenino and Centralia. I have been connected with the State Bank of Tenino seven or eight years, and prior to that was president of the State Bank in Chehalis. Was connected in business, association and commercial association with the United States National Bank. I severed my connections with the Tenino State Bank in June, 1914. Mr. Blumauer was the manager of the Tenino State Bank from the time I severed my connections with it until its failure. The United States National Bank and the Union Loan & Trust Company of Centralia were both owned by the same people. In July I sold my stock in the Tenino State Bank to Mr. Gilchrist and went away. He sent a man to take my place. I had no familiarity with the books of the Tenino State Bank since July, 1914, when I severed my connections with it. The only knowledge I have is by examination of the books since. Referring to the year 1914 either in June or July I took up the immediate part of organizing a bank in Olympia. I came to this country eight or nine years ago for the purpose of buying the Olympia National Bank and had a deal on with Mr. Smith, the cashier, for that purpose, which did not reach a conclusion and in June or July Mr. Mentzer and Mr. Copping agreed to buy my stock in the Tenino Bank and I went to Mr. Gilchrist, the vice-president of the United States National Bank

(Testimony of W. Dean Hays.)

and told him about it and he asked me if I would just as soon sell it to him and said he would buy it at the price I mentioned, if my representations [63] were correct. He and Mr. Daubney came to Tenino and made an examination of the record and he said he would take it, and he sent Mr. Daubney up to Tenino and I went to Olympia to organize the Olympia Bank & Trust Company, and did organize it. Mr. Gilchrist was the active manager and vice-president of the United States National Bank of Centralia. At the time of the sale of the stock in the State Bank of Tenino and afterwards I had several conversations with Mr. Gilchrist relating to the organization of the bank in Olympia. Gilchrist saw me several times and urged me to organize the bank in Olympia. That he would be glad to do the same as he had in Tenino,—take care of any paper I had, and suggested that I open up right away, and take the stock of the Olympia Bank and Trust Company and divide it up as the people had agreed to take it, and as it was taken and paid off, and give his bank credit for it and the balance of the stock which had not been paid for he would take and give the Olympia Bank & Trust Company credit for it and would send the stock up as it was sold and paid for. I took notes from the stockholders for \$11,500, and took stock in my own name for \$36,550, and assigned the notes, to wit, the \$11,500 to the United States National Bank, and gave my own notes for \$36,500, and the United States National Bank gave us credit for \$50,000 to open the bank with. The United



(Testimony of W. Dean Hays.)

States National Bank of Centralia issued a certificate of deposit for \$50,000, for these notes. This was all at the suggestion of C. S. Gilchrist. The notes of the stockholders was \$48,000. Two stockholders paid for their stock in cash, \$2000. \$47,000 worth of stock was deposited with the United States National Bank for collateral. The stock was issued in small denominations [64] of \$100, \$200, \$300 and \$500 certificates, with the expectation of people buying them, and their being paid for. These small denominations were issued upon suggestion of Mr. Gilchrist. Mr. Gilchrist suggested that my two notes, my notes for \$36,500 were deposited as security for the corresponding issue of stock upon Mr. Gilchrist's suggestion, so that if I wanted to open the bank right away I could do so, and as the stock was sold I could pay him up. As soon as the bank was opened he established correspondents in commercial companies; with the Hanover National Bank of New York, First National Bank of Portland, Dexter Horton National Bank of Seattle, Puget Sound National of Tacoma, United States National of Centralia. This was all done after the suggestion and consultation with C. S. Gilchrist and were made upon his suggestion. Deposits were made in each of the banks by remittances from the United States National Bank of Centralia, our principal correspondent. All of the conversations that we had relative to the organization of the Olympia Bank & Trust Company were carried on at my home in Olympia, except the first



(Testimony of W. Dean Hays.)

one, when we discussed the selling of the Tenino bank stock. The immediate transactions before opening the bank in Olympia were like this:

Mr. Gilchrist telephoned me in Olympia and wanted to know if I would be there that evening, and upon information that I would, he and his cashier, Mr. Daubney, came up in an automobile in the evening with \$2500 in cash and gave it to me and suggested that we issue stock in the denominations that they were issued in, and open right away, and when the stock was sold and paid for should give him credit for it, and he would send the stock back. The two notes aggregating \$36,500 were made by me at my home at that time. At my home in Olympia [65] in the evening. The notes were written on forms that I had in my house. That evening in my house. After the notes were made we received the certificate of deposit immediately authorizing us to do business. Mr. Gilchrist drew the certificate of deposit at my home in Olympia.

Certificate offered in evidence and marked Plaintiff's Exhibit 3. This certificate was accompanied by \$2500 cash. This was to open the bank. The \$2500 was gold coin. This certificate of deposit was given August 19, 1914, and the bank the next Saturday, the 21st. It was agreed that the principal place for carrying the deposit of the new bank would be in the United States National Bank of Centralia. Remittances were made every day. There were telephone calls several times during the day between us. We carried only \$3000 or \$4000 in our

(Testimony of W. Dean Hays.)

little bank, and the book of receipts and deposits was deposited with the United States National at Centralia. Deposits were made daily in the United States National. Mr. Gilchrist called me several times daily over the telephone while the organization of the bank was carried on. He wanted to know how I was succeeding in the organization of the bank. What I was doing. When we closed our doors we had something like \$44,000 deposited with them, nearly all of which was deposited with the United States National Bank. The bank was closed on September 23, 1914. Shortly prior to that, within a week or ten days Mr. Gilchrist came to my residence in an automobile about six o'clock in the morning and told me the bank examiner was at Centralia and would examine the United States National Bank *that* that he would object to the two notes aggregating \$36,500, and brought two drafts prepared by Mr. Gilchrist and on the stationery of the United States National Bank for me to sign, and I did so, with the agreement that in case the examiner objected to my two notes there and the stock that he would make a remittance of them, and afterwards [66] I would return the notes, and continue the agreement we already had. The drafts were never to be used except they were to be remitted to him in case the bank examiner objected. I have not seen the instruments since. On being shown one of the drafts witness identified it.

(Testimony of W. Dean Hays.)

(Witness continued:) This is in the handwriting of C. S. Gilchrist.

Whereupon it was offered in evidence by Mr. Vance in the following statement:

“It is the property of the United States National, but I would like to offer it in evidence for the purpose of this case.”

Introduced and marked Intervenors' Exhibit 4. The other draft was for \$24,050. I have not seen it since. It was also in the handwriting of C. S. Gilchrist. The drafts were not to be used at all unless the bank examiner objected to the notes in which event they were to be used temporarily and then the notes would be returned and the drafts returned. These drafts were made on the morning of the 15th of September, 1914, and were not entered on the books of the bank. They were not entered because I did not expect them to be used. I did not know that these drafts were treated as an asset by the United States National Bank until I went down to Centralia with Mr. Shaffer, Mr. Troy, Mr. Kenney after the closing of the doors of the United States National. I found this out from Mr. Hill, the receiver's bookkeeper. I found out that one of them had been charged against the Olympia Bank & Trust Company about two weeks before it was signed. It was not charged with our consent. These drafts were signed on the morning of the 15th and were not presented to us prior to the closing of our doors on the 23d. In ordinary banking business the drafts would have been charged against us on

(Testimony of W. Dean Hays.)

the same day and we would have received them in the course of a day or [67] so, and the proof would be marked up. The \$55,000 is explained this way. When the bank was opened the stock was to have a value of \$50,000, and it was so entered on the books. Thereafter, upon the consent of Mr. Gilchrist we decided to sell the stock for \$1.10 so as to have a surplus of \$5000, and we changed the entry to \$55,000. This extra \$5000 was to be paid for by the stockholders. I told him we had decided to increase the value of the stock ten per cent and charge him with the \$5000 extra, to which he consented. This was at Offut Lake. On September 5 we credited Centralia with \$1500. This was for the sale of stock to P. H. Carlyon and Dick Mitchell and Mrs. Mitchell. Thus there was an item of \$1100 and \$400 which was paid for stock.

Mr. Vance offers in evidence for the purpose of illustration the drafts drawn by the Olympia Bank & Trust Company on the United States National, introduced as intervenors' exhibits 5 and 6. With reference to the notes being items of the Blumauer Logging Company, the Blumauer Lumber Company, T. H. McClafferty, in the sum of \$9,500, the charge being made under date of September 4. During the time I was connected with the Olympia Bank & Trust Company we never had any such papers. We never received notice that the United States National Bank was charging *was* that \$9,500 worth of Blumauer paper and I never knew it until the time Mr. Kenney, Mr. Shaffer, Mr. Troy and



(Testimony of W. Dean Hays.)

myself went down to Centralia after the closing of the bank's doors. We received this information from the receiver of the United States National Bank. The item contained in the daily statement of the Tenino State Bank under date September 19, where the Olympia Bank & Trust Company is credited with \$2000 on the books of the Tenino State Bank, Mr. Gilchrist called me up and told me to send \$2000 to Tenino. Called me up over the telephone. Called me up on the morning of September 19. Told me to charge the United States National [68] Bank and send the money over there. This \$2,000 was coin I sent to Tenino at the request of Mr. Gilchrist over the telephone. The remittances that were made to the State Bank of Tenino or to its creditors were for the United States National Bank of Centralia, through Mr. C. S. Gilchrist, and at the request of no other. The custom was that all requests from the United States National Bank were made by telephone from Mr. Gilchrist to myself. Sometimes it was by telegram or letter, but nearly always by telephone. Ordinarily these telephone calls were not confirmed by writing. The \$6,000 draft was remitted by the Olympia Bank & Trust Company at the request of the United States National Bank of Centralia to Seattle, for the use and benefit of the State Bank of Tenino. Also the \$2,000 in the draft to the Dexter Horton National Bank was sent in the same way for Tenino at the request of the United States National Bank. The draft is



(Testimony of W. Dean Hays.)

submitted in evidence and marked Intervenors' Exhibit 7.

On cross-examination by Mr. GOODALE he testified as follows: My residence is in Offut, Washington. I have known Mr. Gilchrist for about eight years. My attention was directed to Olympia seven or eight years ago as a banking field. I talked with Mr. Gilchrist several years ago about it, and he was interested in it. I made a list of a large number of people, including a number of public officers having public funds in their custody and showed it to Mr. Gilchrist on a basis of confidence. The directors elected by the bank were C. E. Hewitt, C. S. Reinhart, H. T. Jones, I. M. Howell, C. Will Shaffer, and W. T. Cavanaugh. Mr. Reinhart was elected president, and Mr. C. Will Shaffer, secretary. I was elected cashier and Mr. Cavanaugh assistant cashier. The management of the bank was left to two or three of us. I talked with nobody concerning the notes which had been taken for the stock subscription. [69] I had the management of the bank. With reference to the \$36,500 of notes I gave personally to the United States National Bank, that amount of stock had been practically agreed to be taken and I gave the notes for the Olympia Bank & Trust Company in order to have the bank opened. I was not to be personally liable. This understanding was with Mr. Gilchrist of the United States National Bank. I had no understanding with the Olympia Bank & Trust Company with relation to that. The stockholders notes to the amount of

(Testimony of W. Dean Hays.)

\$48,000 were to be paid to the United States National Bank, and \$2000 in cash. The \$47,000 stock was collateral, for which the \$50,000 certificate was issued by the United States National. After the issuance of the two drafts, the \$36,500 worth of stock was returned but not the notes. I was to get \$7650 from Mr. Gilchrist for my stock in the Tenino bank, but I was never paid. [70]

On cross-examination by Mr. OWINGS, of the attorneys for plaintiff, Roy A. Langley, as receiver of the State Bank of Tenino, testified as follows: That Gilchrist had no financial interest in the State Bank of Tenino other than an option or right to purchase it, to be exercised at some future time. That the Blumauer Lumber Company was a large operating concern and checks were being issued continually for employment, supplies, and that sort of thing which would aggregate monthly ten thousand dollars; that not all of the checks would go through the State Bank of Tenino, but it was arranged locally that whenever checks were presented to the State Bank of Tenino they would be forwarded to the United States National Bank at Centralia and the latter bank agreed with the Blumauer Lumber Company on occasions to hold these checks when there was not sufficient funds in the bank in Seattle on which they were drawn until funds were deposited in the bank of Seattle. It was an arrangement between the United States National Bank and the Blumauer Lumber Company

(Testimony of W. Dean Hays.)

for the protection of the Blumauer Lumber Company. [71]

On cross-examination by Mr. OWINGS, of counsel for Roy A. Langley, witness testifies as follows: That he had an obligation with the United States National for some little time prior to its insolvency in the sum of Five Thousand Dollars, being a promissory note of the ordinary kind used by the bank and on the bank's own printed form, and payable to the bank. It was returned by the United States National to the State Bank of Tenino when witness was in the bank and witness understood that it was returned afterwards and the account of the State Bank of Tenino was charged by the United States National Bank with the Five Thousand Dollars. The State Bank of Tenino refused payment on it and returned it to the United States National Bank of Centralia, with a statement of explanation that Mr. Gilchrist was going to buy witness' stock in the State Bank of Tenino and would take up that note and pay the difference, and no liability was shown or agreed to by the State Bank of Tenino as a party or endorser or anything of that sort on that note, and if it was charged back again that was after witness left the active management of the State Bank of Tenino. [72]

On cross-examination by Mr. GOODALE, witness testified as follows: Shows witness letter marked for identification Defendant's Exhibit "D," which is a letter written by witness to Mr. C. S. Gilchrist, dated July 24, 1914, offered in evidence, objected to

(Testimony of W. Dean Hays.)

as incompetent, irrelevant and immaterial unless it is connected up in some way with the identical Five Thousand Dollars which is the subject of dispute between the receiver of the State Bank of Tenino and the United States National. Statement by Mr. Goodale to the effect that he believes it will be connected up, although many of these transactions are yet dark to him. Objection overruled, exception taken.

(Witness read:) "Tenino, Washington, July 25, 1914. C. S. Gilchrist. My Dear Charlie: I have been using every available resource to reduce my note from two to one thousand dollars ever since receiving your letter of the 30 ult., but it seems impossible to do so at the present time. I have hopes of retiring it entirely soon, but it is impossible to do so just now. What I would like to do is this: give you my note for Five Thousand Dollars, collateral, five thousand stock in the bank, and you to place \$3000.00 as a special deposit in the State Bank of Tenino, against which we would not draw, and from the remaining \$2,000.00 to retire my present note. This stock is ample security as I have been offered two ten per share, and only last week I was offered a hundred and fifty. I am very anxious to do anything to secure you and if it is satisfactory, I will send you down a note with the collateral as outlined. I am expecting some funds soon, in fact, have been expecting it for some time, but am disappointed, but have the satisfaction of knowing that it will only be a question of time until



(Testimony of W. Dean Hays.)

it is forthcoming, when I will take up this obligation. Hoping this will be satisfactory, I remain very truly yours, W. DEAN HAYS." [73]

Witness believes that the transaction referred to in the letter was in fact carried out. Witness always got funds from Mr. Gilchrist upon request and believes that he got that. It was his own personal account and was changing greatly but he believes that he did have that balance increased.—his note increased from Two to Five Thousand Dollars and used Three Thousand Dollars himself, but the idea of the letter was that the State Bank of Tenino would not reduce its balance with the United States National of Centralia. It was credited to the State Bank of Tenino and was all credited to the State Bank of Tenino and under that arrangement Three Thousand out of Five Thousand Dollars was to remain until the note was paid or taken care of on the special deposit and the United States National Bank never had a right to charge up Three Thousand Dollars on the Tenino Bank's deposit towards the payment of that note. It was put in there as a special deposit with the agreement that it should not be withdrawn until that note had been paid.

On cross-examination by Mr. OWINGS, witness testified as follows: Witness never received the benefit of the entire Five Thousand Dollars owing to the United States National Bank, and the State Bank of Tenino. The State Bank of Tenino never received any benefit from that Five Thousand Dollar transaction.



(Testimony of W. Dean Hays.)

On cross-examination by Mr. GOODALE, witness further testified as follows: Two Thousand Dollars of the Five Thousand Dollars was applied to the payment of witness' personal and previously existing Two Thousand Dollar note which was in the United States National Bank, and the remaining Three Thousand Dollars was placed on the books of the United States National Bank and of the books of the State Bank of Tenino to the credit of the State Bank of Tenino in the United States National Bank, and to the debit of [74] the United States National on the books of the State Bank of Tenino. Of course the note was increased to Five Thousand Dollars, and the remaining Three Thousand Dollars which was credited by the United States National to the Bank of Tenino was drawn by witness not by the Tenino Bank, and was certainly used by witness. The United States National would simply credit the State Bank of Tenino with this remaining balance for witness' use and he would use it, and witness did use it. They credited the State Bank of Tenino for witness' use, and he drew the money out of the State Bank of Tenino, Three Thousand Dollars although that was a credit by witness' arrangement with the United States National Bank it was not to be drawn out and was to remain in the United States National Bank. [75]

**Testimony of Isaac Blumauer, for Plaintiff.**

ISAAC BLUMAUEER, called on behalf of the plaintiff and intervenors after having been first sworn and examined by Mr. O'Leary, testified as follows:

I was president of the Tenino State Bank from its

(Testimony of Isaac Blumauer.)

organization until it was closed up. The last few weeks of the bank being open I was there most of the time. Mh. Hays was the manager of the bank before I was and after that I was. I think Mr. Hays left the Tenino State Bank in August. Mr. Daubney who had been employed by the Union Loan and Trust Company of Centralia took Mr. Hays' place. Explaining the \$6000 item noted September 14, we charged the First National Bank of Seattle with \$6000 that was sent from the Olympia Bank & Trust Company. On page 58 of the cash-book the Tenino State Bank entry follows:

"First National Bank, Seattle wire \$6000." It meant that that amount was placed to our credit in the First National Bank of Seattle. It was sent there by the Olympia Bank & Trust Company. My personal knowledge of this transaction is this: We needed funds and the First National Bank of Seattle took care of drafts that we (State Bank of Tenino) had issued against us, they being our correspondent there, and as we had money due us, according to our books from the United States National Bank of Centralia, we asked the United States National Bank to see that we got the money then, and we got it through the United States National Bank, they telling us that they would have it there to our credit and have it sent by the Olympia Bank & Trust Company, although the Olympia Bank & Trust Company did not owe us the money. That was to be done through the United States National. But the Olympia bank would send it to Seattle for us. The Olympia Bank & Trust Company was not indebted to the State Bank of Tenino at any time. The request to the

(Testimony of Isaac Blumauer.)

United States National Bank to send the money to the First National Bank of Seattle [76] was done by telephone. I speaking with Charlie Gilchrist.

Referring to page 60 of the cash-book of the Tenino State Bank on the left-hand side, is an item noted on September 18, "Olympia Bank & Trust Company, Olympia account" in one claim \$386, in the next claim "\$2000." That happened in the same way as the \$6000, only instead of the Olympia Bank & Trust Company sending this draft again over to Seattle, for our credit, it was sent us in cash. I received it myself and our bank. I received the \$2000 that Mr. Hays placed on board the Olympia stage, that is the stage running between Olympia and Tenino. The figures 386 refer to the place it was posted in the ledger. On the same side of the same page of the cash-book under date September 19, 1914, an item reading "Olympia Bank & Trust Company, Olympia, R. 1st," and the figures followed by the figures \$2000, refer to a similar transaction. On account of my telephoning Mr. Gilchrist of Centralia there is a debit and credit item here, showing that the Olympia Bank & Trust Company sent this over to the First National Bank of Seattle to our credit. And here is where we charged, on the other side, the First National Bank of Seattle the *ame* amount. "R to 1st" abbreviates "Remittance to First National Bank," and is the usual abbreviation used. The money was not due us from the Olympia Bank. It was due from the Centralia Bank.

On Cross--examination witness testified: The Blumauer Lumber Company was a company of

(Testimony of Isaac Blumauer.)

my family, and was a large borrower from the Seattle National Bank. The Blumauer Lumber Company would issue checks against the Seattle National Bank. Sometimes it would make an overdraft of a number of thousand of dollars at a time and as these checks would be presented to the Tenino Bank the Tenino Bank would cash them, and then send them to the Centralia bank and get credit. When they reached the Centralia bank they would be presented to the Blumauer Lumber Company. This was done for the benefit of the [77] Blumauer Lumber Company. The daily statement of the State Bank of Tenino showed that on September 14, 1914, the United States National Bank owed the Tenino Bank \$7299; on the 15th, \$7000; on the 16th \$11,000; on the 17th \$13,000, and on the 18th \$9000. This would include the items that I have just testified to. The Blumauer checks. The daily statement shows that on the 12th the Centralia bank owed the Bank of Tenino, \$9000, and on the 10th \$8000. According to our books there never was a balance between the 10th of September and the 20th of September 1914 with less than \$7000 or \$8000 owing from the United States National Bank to the Tenino State Bank. We never asked the Olympia bank for anything, because we had nothing to do with it. Knowing we had this money due from the Centralia bank we made request to it and Mr. Gilchrist. Of course we would not care if it came from the Olympia bank or a bank in Oregon, but we asked for it from Mr. Gilchrist and he said he would see that we got it.



(Testimony of Isaac Blumauer.)

He would take it up with Mr. Hays and see that Mr. Hays made it good. When we asked Mr. Gilchrist to take care of our drafts he said he would take it up with Mr. Hays and have Mr. Hays take care of it.  
[78]

ISAAC BLUMAUEER, being called as a witness on behalf of plaintiff State Bank of Tenino, examined by Mr. OWINGS, testified as follows:

That he was president of the State Bank of Tenino. Referring to the note of one of the companies in which witness was interested, payable to the order of the Merchant's National Bank of Portland, on two or three occasions payments were to be made and the Blumauer Lumber Company were not able to meet them, and taking the matter up with the United States National Bank Mr. Gilchrist in particular, witness spoke to him about it and he told witness that he should issue drafts on the United States National Bank of Centralia and he would take care of them. The note of the Blumauer Company in the United States National Bank witness thinks was twenty-five hundred dollars and thinks the payments were made three five hundred dollar payments and one of one thousand dollars. The bank in Portland insisted upon having the money and agreed to take payments of five hundred dollars each, three five hundred dollar payments, and the balance, the fourth payment, a thousand dollars. These payments were to be made thirty, sixty days apart. It being without money witness took it up with Mr. Gilchrist of the United States



(Testimony of Isaac Blumauer.)

National Bank. He not wanting to extend us any further loans on account of not wishing to make excessive loans to the Blumauer Lumber Company wanted to handle it in that way so that the Tenino bank would issue the draft, and he would take care of it, and it would not appear as a note of the Blumauer Lumber Company. At this time the Blumauer Lumber Company was indebted to the United States National to such an extent that any more loans would have been considered excessive loans. The indebtedness may have been thirty or forty thousand dollars. Somewhere in that neighborhood. There was other paper. The Blumauer Logging Company [79] Mr. Gilchrist said he would take care of this loan. Witness' first talk was with Mr. Gilchrist in regard to it. And witness wanted to get a draft of five hundred dollars down to Portland in a hurry and did not wait till he could talk to Tenino, and thus he telephoned to Mr. Hays, and is under the impression that he told Mr. Hays to execute the draft to Portland so it would get away in the first mail, and telephoned him to do so and explained matters over the telephone. The other three drafts witness thinks were executed by him as president of the Tenino State Bank. Witness' understanding with Mr. Gilchrist was that as far as the bank in Tenino was concerned they would not be interested only that I should issue the draft on the Tenino bank and send it to Portland, and it was merely a matter between the Blumauer Lumber Company and the United States National

(Testimony of Isaac Blumauer.)

Bank in Centralia and witness believes that the drafts were just to be held in Centralia as a cash item against the Blumauer Lumber Company. The Tenino bank made no record of it at all, because after witness sent the drafts away that was all there was to it. No record was made of it. As near as witness could recall there was no record in the Tenino bank that those drafts were sent. Witness' postoffice address is Tenino. Has lived at Tenino and Bucoda and that vicinity for thirty years or more, and has been actively engaged in the business all the time, general merchandise and lumber and banking business. First became acquainted with Mr. Gilchrist probably a matter of twenty-five years ago. Mr. Gilchrist is one of the original organizers of the United States National Bank. Had a State Bank and then turned it into a national bank. Mr. Gilchrist has probably been in the banking business in Centralia for twenty years and previous to that he was right in the little town of Bucoda. Witness had a store there and Mr. Gilchrist was in the banking business there. [80] Witness was a depositor ever since Gilchrist organized until probably a year or so of the trouble commencing. Was a depositor in the Centralia bank and in the Bucoda bank. Was a borrower from the Centralia bank but not from the Bucoda bank. Gilchrist was very familiar with witness' financial condition. The five thousand dollar note of Mr. Hays which is held by the United States National Bank was brought to witness' attention when he

(Testimony of Isaac Blumauer.)

was in the State Bank of Tenino acting in the capacity of president. The note came down from the United States National. It was enclosed with a statement showing that it was charged up to our bank at Tenino and Mr. Hays was away at that time. He was in Olympia. Witness laid it on his desk wanting to ask Mr. Hays something about it because witness knew nothing about it. Witness did not want to give Centralia credit for it until he saw Mr. Hays and knew what the transaction was, and thinks then a few days after that when Mr. Hays did come to Tenino he took it up with him. Mr. Hays says it should not have been sent to our bank at Tenino. It should have been kept down there and that he would attend to the matter. Witness believes Mr. Hays returned it and it was sent up a second time because he knew when the bank closed that the five thousand dollar note was on his desk and we didn't give Centralia credit for it because witness understood it was a private transaction between Mr. Hays and Mr. Gilchrist, or between Mr. Hays and the United States National Bank.

On cross-examination by Mr. GOODALE, witness testified as follows: Did not mean that Mr. Gilchrist regarded the transaction of the Portland draft dictated and determined how this should be taken up meant he was acting for the United States National Bank. Gilchrist was under no obligations to take care of witness' debts. The debt was a debt of witness owing to the [81] Portland bank and

(Testimony of Isaac Blumauer.)

witness was primarily the person to determine how he was going to raise the funds to pay that. Neither Mr. Gilchrist nor the United States National Bank were under obligations to extend witness credit. They wanted to extend witness credit but did not want to advance it in such a way as to make it appear excessive loans. Witness did not borrow a large amount from the Tenino bank was borrowing larger amounts from the bank in Centralia which amounted to probably as much as sixty or seventy thousand dollars. The utmost borrowed from the Tenino bank at one time might have been as much as ten thousand dollars. Borrowed probably twenty-five hundred or thirty-five hundred, probably in the name of the Blumauer Lumber Company. Could not segregate the amounts as borrowed in the name of McClafferty. Borrowed under that name from the Tenino bank, two thousand dollars witness believes. Did not borrow under the name of the Hays Logging Company. That was an entirely different transaction.

Witness shown Defendant's Exhibit "F" and testifies that it was signed by Hays Logging Company, signed by himself. The Hays Logging Company was a different institution altogether. Mr. Hays and witness were helping somebody else out. Witness did not borrow it. It was business done for the Tenino bank. At that time the United States National Bank had a right to regard the Blumauer Lumber Company as having with the consent of the board of trustees of the Tenino bank a



(Testimony of Isaac Blumauer.)

large line of credit there. Witness could not state the day he had the conversation with Mr. Gilchrist in regard to the drafts. When the five hundred dollar draft came due it was expected in Portland from us and the Blumauer Lumber Company and each time that those payments became due or probably a day or two previous witness would see Mr. Gilchrist and probably would speak to him between times, because witness always spoke to him about [82] their affairs, letting him know in advance what he would have to take care of. Definitely and positively as to each one of these drafts witness had such conversation with Mr. Gilchrist as he has described. Separate as to each one. The bank in Portland notified us these \$500, payments would have to be paid and witness does not remember whether they were to be paid thirty, sixty or ninety days apart. Witness believes that the whole thing covered more than three months. Witness does not think that before the second payment was made other drafts had already come back and been charged to the Tenino bank by the United States National but does not think it was charged to the Tenino bank, but will not swear that it was not charged. And did not think that any of them came back. Never saw them again. Could not swear that they were not included in the statement and did not come back, because when the statement came in he was not at the bank all the time and after they left Tenino witness did not recall ever having seen them again or brought to my attention,



(Testimony of Isaac Blumauer.)

because if he had known they would come back to the Tenino bank and be a charge against the Tenino bank he would know that the Centralia bank wasn't carrying the Blumauer Lumber Company for them. Does not know anything to the contrary but what they still have them against the Blumauer Lumber Company. Made no arrangements with the Tenino bank to take care of them. Did not make any statement a few days ago regarding these drafts. Was not questioned on any drafts in regard to Portland. Was not asked in regard to some drafts that were charged by the United States National bank against the Tenino bank in connection with one of his companies and did not say there wasn't any drafts. Had been no such transaction to his knowledge. Does not remember testifying to that, thinks that, if he had testified that he would remember it. Knew nothing at all about the five thousand dollar [83] note set forth in the letter of July 24th, 1913, from Mr. Hays to Gilchrist as vice-president of the United States National, Defendant's Exhibit "D," which was exhibited, until he heard this letter read in court here. Does not think the Tenino bank had any paper of the Blumauer Company's at the time it closed its doors. [84]

**Testimony of W. Dean Hays, for Plaintiff**  
**(Recalled)**

W. DEAN HAYS, on redirect examination, interrogated by Mr. VANCE testified as follows: At the time of the giving of the notes the corporation,

(Testimony of W. Dean Hays.)

Olympia Bank & Trust Company was not yet organized. The notes were given previously to the organization of the bank. The organization of the bank was left to me. I just did it. I had not informed the gentlemen who were subsequently elected as trustees and who were organizing the bank with me that the money to perfect the organization would be obtained by my giving a note to the United States National. I advised them that we were going to get the money from the United States National. That we were going to get a certificate of deposit from the United States Bank. I did not advise the board of trustees that I was going to borrow \$36,500 from the United States National Bank of Centralia before the organization was perfected. One of the drafts was found but not among the records of the Olympia Bank & Trust Company. The draft for \$24,050 I have never seen since I executed it that morning. The drafts were issued without the knowledge or consent of the other members of the board of trustees.

On recross-examination by Mr. GOODALE witness testified: There was no consultation with the other members of the board of trustees.

**Testimony of C. Will Shaffer, for Plaintiff.**

C. WILL SHAFFER was called as a witness on behalf of the plaintiff and intervenors and after being duly sworn testified as follows, on interrogatories propounded by Mr. O'LEARY:

I am one of the intervenors in this action, and own ten shares of stock in the Olympia Bank &

(Testimony of C. Will Shaffer.)

Trust Company. Am State Law Librarian. I have no funds belonging to the State of Washington in my custody. [85] I first learned of the execution of the two notes aggregating \$36,550 by Hays which notes were delivered to the United States National Bank, on the evening of September 22, 1914. I think it was on the night we decided we would not open the bank the next morning, and it was very meager then. The first I knew of the issuance of the two drafts, one for \$12,500, and one for \$24,050 on the funds of the Olympia bank that were in the United States National Bank, was a few days after we failed to open our bank. The State Bank examiner intimated that he had known of that fact, and we did not know anything about it until some days after that. I was a member of the board of trustees and secretary of the board of the Olympia Bank & Trust Company. The notes that have been designated here as the Blumauer notes, I first saw after the receiver of the Olympia Bank & Trust Company had been appointed, and Mr. Kenney, Mr. Troy and Mr. Hays and myself went to Centralia to ascertain if we could reconcile the two statements. We met with Mr. Chapman, and we wished to know what this \$9500 transaction was against the Olympia Bank & Trust Company, and he told us it was these notes, and at first refused to show us the notes. He told us the notes were there and had never been sent to the Olympia bank, but had been charged to Olympia but a few days before that. Later on

(Testimony of C. Will Shaffer.)

he did show them. I have forgotten whether there were two or three notes, but we saw a couple of notes and saw the endorsement on one of them. If the charge was made on the 4th day of September, it was some days after the receiver had been appointed for the Olympia Bank & Trust Company. I think it was some time in October before I knew anything about it. I had trust funds when the Olympia Bank was organized but no public funds under my control. I did not deposit the trust funds in the Olympia Bank & Trust Company. I never deposited [86] a cent in it and never had an account there. I gave a note for the stock I bought, but that note was to go to Mr. Hays personally. My name does not appear on the books, I am sure, unless it is on the official record of the board of directors. Not on the accounts of the company. I paid no cash for my stock. I gave a note, to Mr. Hays. I went into the bank at the suggestion of Mr. Parr who told me that the people who would finance it would loan me the money for the stock and I finally consented to act as a director. It was understood when the bank was opened that Mr. Reinhart and myself were to give personal attention to the affairs of the bank. Right away after the bank was organized I was required to be out of town. When I returned the greater part of my time was taken up in making arrangements for a building and the interior of it. The building was being constructed and it was understood that we were to take quarters in the building. On the



(Testimony of C. Will Shaffer.)

Saturday before the bank closed up Reinhart closed his office early and he asked me if I would go down and go through the books and see how the bank was getting along. I could not get away that Saturday and told him I would soon have my work so I could get away but the next day it was too late.

On redirect examination by Mr. O'LEARY, witness testified: I did not know that the United States National Bank of Centralia was the chief depository of the Olympia Bank & Trust Company until after the failure of the bank. I did not know that there was any agreement that there was to be this arrangement between the two banks. In fact the cashier had been instructed that no correspondents be selected without a conference with the directors, and there had been no conference. Of course the money would have to be deposited somewhere temporarily because we had no vault yet in our bank. We were to have meetings of the trustees at least once a month, but we met oftener than once [87] a month, I don't know how many meetings we had. We had several. Possibly a half a dozen, probably fewer, probably more. There were several meetings of the board of trustees. The directors were elected on the 14th of August, in the evening, 1914; the bank opened on the 19th of August. C. E. Hewitt, C. S. Reinhart, W. Dean Hays, I. M. Howell, C. Will Shaffer and W. T. Cavanaugh were elected directors. The following stockholders were present, representing the following stock:



(Testimony of C. Will Shaffer.)

C. E. Hewitt.....	10 shares
Thomas M. Vance.....	5 shares
I. M. Howell.....	50 shares
C. Will Shaffer.....	10 shares
C. S. Reinhart.....	15 shares
W. T. Cavanaugh.....	10 shares
Harry L. Parr.....	5 shares
W. Dean Hays.....	395 shares

C. S. Reinhart was elected president, I. M. Howell, vice-president, C. Will Shaffer, secretary of board of directors, W. Dean Hays, cashier, W. T. Cavanaugh, assistant cashier. The president and cashier were instructed to file all necessary papers, employ attorneys, clerical help, secure quarters and do any and all things for the establishment and operation of the corporation until the further order of the board of directors. I think the president took more or less an active part in the bank from that date. He had been a banker. I do not know whether there was a meeting the evening before the bank opened or not. I think there was. It was understood that the meeting on August 14, that the portion of the stock represented by Hays was to be distributed among the prospective stockholders throughout Thurston County. We subscribed for the stock right then and there. Those who were not there and took stock did not amount to a great many shares of stock. There were only three or four that we know of who were not there. They probably amounted to 35 or 40 shares. It was understood that Mr. Hays was to be personally

(Testimony of C. Will Shaffer.)

bound on his stock subscription. It was legitimate. I thought he had plenty of money. Mr. Parr had informed me that [88] *that* there was plenty of money to organize the bank. Parr is an attorney in Olympia. I did not know that anybody else had given their note for stock except myself, until after the bank had failed. I turned my note over to Mr. Hays about the 19th of August. He said he was to get certificates of deposit with it and asked me to sign the note. I made the note out to him personally. Witness identifies copy of the note, which is offered in evidence and marked Defendant's Exhibit "C." I assumed that we had the funds with which the stock was to be bought. I had borrowed enough to pay for my stock. I assumed that everybody else had paid for their stock. I thought I was just borrowing money from a friend to pay for my stock and that everybody else paying money for stock, we would have the money to start the bank.

On redirect examination by Mr. O'LEARY: The Articles of Incorporation were filed on the 19th of August.

**Testimony of W. Dean Hays, for Plaintiff (Recalled  
—Cross-examination).**

W. DEAN HAYS, called for further cross-examination testified as follows: I never had a personal note in the bank at Tenino. I had \$5,000 borrowed from the United States National Bank of Centralia, but never borrowed \$5,000 from the Tenino bank.

[89]

(Testimony of W. Dean Hays.)

W. DEAN HAYS, called on behalf of the plaintiff State Bank of Tenino, on examination by Mr. OWINGS, testified as follows:

Witness being handed a paper marked for identification Tenino State Bank's Exhibit 4, testified that it was a carbon copy of a letter written by himself as vice-president of the State Bank of Tenino to Mr. C. S. Gilchrist as vice-president of the United States National Bank of Centralia. The original was actually sent by witness through the mails to the Centralia bank and by registered mail.

Letter offered in evidence, admitted and marked Tenino Bank's Exhibit 4. [90]

W. DEAN HAYS having been heretofore sworn, was recalled on behalf of the plaintiff, State Bank of Tenino, and in answer to interrogatories propounded by Mr. OWINGS, testified as follows:

Witness remembers that while he was cashier of the State Bank of Tenino a transaction where a draft was drawn by the State Bank of Tenino on the United States National in favor of the Merchant's National Bank in Portland for the purpose of paying a portion of the principal of the notes of Mr. Blaumauer of the Blaumauer Lumber Company, or some of the concerns that Mr. Blaumauer was interested in as follows: Mr. Blaumauer owed a note in Portland, had a letter from them stating that they wanted payment of five thousand dollars on it by a certain date, about three days following. I objected to loaning it out of the State Bank of Tenino funds and he went down to see Mr. Gilchrist in Centralia,

(Testimony of W. Dean Hays.)

and after going there he called me up by telephone and told me he had made arrangements with Charliet Gilchrist for the money. He informed me that Mr. Gilchrist had requested that I send the United States National a draft stating for me to send a draft to Portland for five thousand dollars and he would take care of it, which I did. There was an arrangement whereby the United States National was to really stand behind this draft. Never saw the draft after it was drawn and the same was not entered up and made a charge in the books of the State Bank of Tenino. Witness thought it was sort of queer that that draft was sent up to us as a charge and returned it with a letter stating that it was his understanding that that was not to be charged to us, and it was taken back by the Centralia bank. Has never seen the draft since and does not know where it is.

On cross-examination by Mr. GOODALE, witness testified: Witness knew of only one draft for five hundred dollars of this kind and if any others were drawn it was done by Mr. Blumauer or someone else.

[91]

Redirect by Mr. VANCE: There was no understanding at the meeting on August 14th, with the directors that as fast as the stock was sold it should be credited to the United States National Bank. The understanding was between me and the Centralia bank. This understanding was not explained to the directors or prospective directors at that time.

[92]



**Testimony of C. S. Reinhart, for Intervenors.**

C. S. REINHART, being sworn as a witness on behalf of the intervenors, after having been duly sworn and being interrogated by Mr. O'LEARY, testified as follows:

I am one of the owners of the capital stock of the Olympia Bank & Trust Company. Own fifteen shares. I was president of the bank and a member of the board of directors. I first learned of the two notes executed by W. Dean Hays, one for \$12,500 and one for \$24,050, after the bank closed its doors, right away after. I first learned that the stock that was held as collateral by the United States National Bank, after the failure of the Olympia Bank & Trust Company. Subsequent to the failure of the Olympia Bank & Trust Company.

On cross-examination witness testified as follows: From the very starting of the bank the books were not kept up, and the bookkeeping was not done in the manner I should think it should be. I complained considerable about it to Mr. Hays. I paid \$1650 for my fifteen shares. \$1.10. I borrowed the money from Mr. Hays and gave him my note. The Olympia Bank & Trust Company did not have anything to do with it. Never entered it on their books. Mr. Hays had no authority to represent the Olympia Bank & Trust Company before its organization. He had no authority to get money from any source for the purpose of credit of the Olympia Bank & Trust Company.



(Testimony of C. S. Reinhart.)

Redirect examination by Mr. O'LEARY: I did not know my personal note to Mr. Hays for \$1650 was down to the United States National Bank of Centralia until after the bank closed.

**Testimony of W. T. Cavanaugh, for Intervenors.**

W. T. CAVANAUGH, being called as a witness on behalf of the intervenors, after having been duly sworn testified:

I own stock in the Olympia Bank & Trust Company. Ten shares I paid for them by check on the Capital National Bank, which [93] was paid. I was assistant cashier of the bank. I knew nothing about bookkeeping in the bank, and the entries I made were made by me under direction of Mr. Hays. I first learned of the two notes in the sum of \$12,500 and \$24,050, which was in the United States National Bank of Centralia and for which certain stock of the Olympia Bank & Trust Company was deposited there as collateral until after the closing of the bank at Centralia, and after the time the Olympia Bank & Trust Company was closed. I first learned about the existence and execution of the two drafts in the sum of \$12,500 and \$24,050 from the state bank examiner after the Olympia bank had closed. I did not know that the United States National Bank was financing the opening of the Olympia Bank & Trust Company until after the bank was closed.

On cross-examination by Mr. GOODALE, witness testified: I was paid \$125 for my services after the bank closed. There was never any discussion at any

(Testimony of W. T. Cavanaugh.)

meeting of the board of directors of the details of any arrangement between the United States National Bank and the Olympia Bank & Trust Company. The remittance back to the Olympia Bank & Trust Company was introduced and marked Intervenors' Exhibit 8.

**Testimony of C. S. Gilchrist, for Plaintiff.**

C. S. GILCHRIST was called and sworn as a witness on behalf of plaintiff, testified as follows:

I was vice-president and manager of the United States National Bank before it closed its doors. The two notes which Mr. Hays executed, one for \$12,500 and one for \$24,050, and which were deposited in the United States National Bank, were signed W. Dean Hays, there were no other words attached to the signature other than just W. Dean Hays.

**Testimony of Charles E. Hewitt, for Plaintiff.**

CHARLES E. HEWITT, being sworn on behalf of the plaintiff and intervenors, in answer to interrogatories propounded by [94] Mr. O'LEARY, testified as follows:

I live in Tumwater, am a druggist. Was a director in the Olympia Bank & Trust Company, and am an owner of stock, ten shares. I paid for my stock by note. I transacted the business with W. Dean Hays. I did not know my note was with the United States National Bank of Centralia until the bank examiner told me the night we decided we had to suspend business, and that was a few nights after the United States National suspended. I first learned of the existence of the two notes one for \$12,500 and

(Testimony of C. S. Reinhart.)

Redirect examination by Mr. O'LEARY: I did not know my personal note to Mr. Hays for \$1650 was down to the United States National Bank of Centralia until after the bank closed.

**Testimony of W. T. Cavanaugh, for Intervenors.**

W. T. CAVANAUGH, being called as a witness on behalf of the intervenors, after having been duly sworn testified:

I own stock in the Olympia Bank & Trust Company. Ten shares I paid for them by check on the Capital National Bank, which [93] was paid. I was assistant cashier of the bank. I knew nothing about bookkeeping in the bank, and the entries I made were made by me under direction of Mr. Hays. I first learned of the two notes in the sum of \$12,500 and \$24,050, which was in the United States National Bank of Centralia and for which certain stock of the Olympia Bank & Trust Company was deposited there as collateral until after the closing of the bank at Centralia, and after the time the Olympia Bank & Trust Company was closed. I first learned about the existence and execution of the two drafts in the sum of \$12,500 and \$24,050 from the state bank examiner after the Olympia bank had closed. I did not know that the United States National Bank was financing the opening of the Olympia Bank & Trust Company until after the bank was closed.

On cross-examination by Mr. GOODALE, witness testified: I was paid \$125 for my services after the bank closed. There was never any discussion at any

(Testimony of W. T. Cavanaugh.)

meeting of the board of directors of the details of any arrangement between the United States National Bank and the Olympia Bank & Trust Company. The remittance back to the Olympia Bank & Trust Company was introduced and marked Intervenors' Exhibit 8.

**Testimony of C. S. Gilchrist, for Plaintiff.**

C. S. GILCHRIST was called and sworn as a witness on behalf of plaintiff, testified as follows:

I was vice-president and manager of the United States National Bank before it closed its doors. The two notes which Mr. Hays executed, one for \$12,500 and one for \$24,050, and which were deposited in the United States National Bank, were signed W. Dean Hays, there were no other words attached to the signature other than just W. Dean Hays.

**Testimony of Charles E. Hewitt, for Plaintiff.**

CHARLES E. HEWITT, being sworn on behalf of the plaintiff and intervenors, in answer to interrogatories propounded by [94] Mr. O'LEARY, testified as follows:

I live in Tumwater, am a druggist. Was a director in the Olympia Bank & Trust Company, and am an owner of stock, ten shares. I paid for my stock by note. I transacted the business with W. Dean Hays. I did not know my note was with the United States National Bank of Centralia until the bank examiner told me the night we decided we had to suspend business, and that was a few nights after the United States National suspended. I first learned of the existence of the two notes one for \$12,500 and



(Testimony of Charles E. Hewitt.)

one for \$24,050 respectively, which were in the United States National Bank, and to secure which there was on deposit in the United States National Bank certificates of stock about the time the Olympia Bank & Trust Company suspended, that night, I think it was. I did not find out that the two drafts had been executed by anyone in the same amount as those two Hays notes until after Hays was arrested. This was after the bank closed.

On cross-examination by Mr. GOODALE, witness testified: I do not remember signing any stock subscriptions. I did not know that the Olympia bank had gotten credit from the United States National until after the bank failed. W. Dean Hays lead me to believe that he had money himself, and plenty of it. I told him when I first talked of taking stock that I did not have the money to take care of it and he said he had plenty of money and could take care of this at any time. I thought my fellow stockholders had paid for their stock in cash, and that I was the only one who did not have the money. I made no inquiries as to whether they had paid or not. I thought they had. It was understood that we had adequate funds. Mr. Hays told me so.

Defendant's Exhibit "F" introduced in evidence, over the objection and exception of plaintiff. [95]

W. Dean Hays induced me to become interested in the bank.

A certified copy of the order of the Court of Thurston County directing the receiver to commence an action, was admitted and was admitted as Plain-



(Testimony of Frank A. Hill.)

tiff's Exhibit "A," over the objection and exception of the defendant.

**Testimony of Frank A. Hill, for Plaintiff.**

FRANK A. HILL, being sworn on behalf of the plaintiff interrogated by Mr. Vance, testified as follows:

I am clerk of the receivership of the United States National Bank and have examined the books and am familiar with the books. Within three months after the closing of the doors of the United States National Bank, the following individuals or corporations were indebted to the bank and went into the hands of receivers; Clear Water Lumber Company, Blumauer interests, Wabash Lumber Company, Chehalis Lumber and Shingle Company, Dysart and Ellsbury, C. S. Gilchrist, the Chehalis River Lumber Company was a substantial debtor of the bank, in the neighborhood of one hundred thousand dollars; the Johnson Creek Lumber Company went into the hands of a receiver seven or eight months afterwards. The indebtedness of the Blumauer interests was in the neighborhood of \$48,000. The Tenino Manufacturing Company owed the bank about ten thousand dollars; among the papers that I found when the bank went into the hands of a receiver was a draft of \$12,500 from the Olympia Bank & Trust Company to the United States National Bank.

Witness is shown Plaintiff's Exhibit 4 and identifies it as a draft that he found among the records of the United States National Bank. There is no charge against the Olympia Bank & Trust Company

(Testimony of Frank A. Hill.)

of \$12,500 on September 15, 1914. There is one on August 31, 1914. There is a charge on the 15th of September, 1914 of \$24,050.

**Testimony of I. M. Howell, for Plaintiff.**

I. M. HOWELL, being called as a witness on behalf of plaintiffs and intervenors, testified as follows: [96]

I am a stockholder in the Olympia Bank & Trust Company to the extent of five thousand dollars, representing fifty shares. I had an agreement with Mr. Hays by which he was to pay for the stock and I was to give him an agreement in return for payment of the stock. I met Mr. Hays one morning as I was going down to my office. On the way down he told me he was about to organize a bank and trust company there and wanted to know if I would be interested. I told him I would not in that I had not money to invest in bank stock. We got down to the office and he mentioned who was going in with him, Mr. Reinhart and Mr. Shaffer and mentioned other gentlemen, and said he would like to talk with me about it and I said all right. He came up to my office once or twice during the day and I was very busy and could not see him. Made an appointment with me to go to his house. I went to his house and asked him what he wanted. I said I had no money. He said he had plenty of money and could let me have money to pay for the stock. I told him I would not give a note, but I had some interests whereby I could enter into an agreement with him to secure him with the stock, with the understanding that I

(Testimony of I. M. Howell.)

was to have an office in the bank at the completion of my term as Secretary of State and with that agreement I took the stock. I did give a note under these circumstances. Mr. Hays came into the office one morning and said he was ready to organize the bank then and would like to have me sign a note. I explained to him that I was not to give a note but was to give an agreement. He said he realized that and he only wanted the note for a couple of days and then would hand it back to me. I asked if the note was to be deposited with anybody any place and discounted and he said not. After some conversation with him I signed the note. I first learned that my note was down in the United States National Bank at Centralia the night before the Olympia [97] Bank & Trust Company closed. I first learned of the existence of the two notes signed by W. Dean Hays in the sum of \$12,500 and \$24,050 respectively, which were in the United States National Bank and to secure which there was deposited a number of shares of the Olympia Bank & Trust Company at the meeting in the bank cashier's office, the night after the Olympia Bank & Trust Company closed. At the same time I first learned of two drafts in the same amount as the two Hays notes. I am Secretary of the State of Washington, and was such secretary during the time the Olympia Bank & Trust Company was organized. I deposited some public funds that came into my hands as Secretary of State. I had \$4,864.34.

(Testimony of I. M. Howell.)

On cross-examination, interrogated by Mr. GOODALE, witness testified as follows: There was never anything mentioned between Mr. Hays and me about securing public deposits.

**Testimony of Frank A. Hill, for Plaintiff (Recalled).**

FRANK A. HILL, being recalled and interrogated by Mr. VANCE, testified as follows:

The United States National Bank had the following claims against firms that went into bankruptcy within two or three months after the closing of the doors of the United States National: Blumauer Logging Company, \$10,000, adjudicated bankrupt October 3, 1914; Blumauer Lumber Company, \$42,437.83, adjudicated bankrupt November 15, 1914; Blumauer Logging Company \$10000000, adjudicated November 5, 1914; Chehalis River Lumber & Shingle Company, \$36,364.20 and \$36,500, adjudicated September 24; Clear Water Lumber Company, \$45,456.41, adjudicated November 5, 1914; Creates Brothers, \$16,255.75, adjudicated November 16, 1914; George Dysart, \$26,909.98, adjudicated November 28, 1914; George Ellsbury, \$14,738.90 and \$800.00, adjudicated [98] November 28, 1914; Dysart & Ellsbury, \$14,738.90, adjudicated November 28, 1914, and C. S. Gilchrist, \$48,448.66 and \$15,-249.55, adjudicated November 30, 1914.

On recross-examination witness was permitted to testify, concerning the present value of the claims over the objection of Mr. Vance, for plaintiffs and intervenors, who objected for the reason that the in-



(Testimony of Frank A. Hill.)

quiry was as to the value at the time the bank went into insolvency and prior thereto and not at the present time, to which exception was taken. [99]

**Testimony of Roy A. Langley, for Plaintiff  
(Recalled).**

ROY A. LANGLEY was called on behalf of himself as receiver of the State Bank of Tenino, and testified as follows, on direct examination by Mr. OWINGS:

That he is receiver of the State Bank of Tenino and was appointed October, 1914. Qualified about October 14th and proceeded to take charge of the affairs of the State Bank, and has continued as such receiver ever since. Has examined the books of account and papers of the State Bank of Tenino and found mutual accounts and demands, etc., of the State Bank of Tenino and the United States National. Has likewise made an examination of the books and papers and accounts of the United States National with reference to the transactions had between the two banks in company with Mr. Hill. Attempted to affect a reconciliation of the accounts of the two institutions. Mailed Mr. Hill a copy of our books previous to that time, and received a copy of his books at a later date. Both marked Plaintiff's Identification 1.

Identification No. 1 is a statement witness received from the United States National Bank and received the same since the failure about six months ago, the same being offered in evidence was admitted and marked Plaintiff's Exhibit No. 1.



(Testimony of Roy A. Langley.)

Witness heard the testimony of Mr. Hays with reference to the note of five thousand dollars made by Mr. Hays, payable to the order of the United States National Bank. When he took charge he found a note of W. Dean Hays, payable to the United States National among the papers of the State Bank of Tenino. Paper marked Plaintiff's Identification No. 2 was submitted to witness, who testified that it was a note of W. Dean Hays payable to the United States National Bank for five thousand dollars. Offered and admitted in evidence and marked Plaintiff's Exhibit 2. Witness has been cashier of banks in the State of Washington since 1906. Had been engaged in the banking business prior to that time as a bookkeeper. Is now a special deputy [100] State Bank examiner of the State of Washington. Found nothing whatever in the books of the State Bank of Tenino, with reference to this five thousand dollar note. From witness' examination of the books of account of the State Bank of Tenino he did *not* find *no* entries relating to the payment of the note executed by Mr. Blumauer or one of the companies in which Mr. Blumauer is interested to the Merchant's National Bank of Portland. The books of the State Bank of Tenino show that the State Bank of Tenino credited the United States National Bank six thousand and charged the First National Bank of Seattle with a like amount. Six thousand dollars was credited to the United States National Bank of Centralia on September 14. That is the notation "Wire." The

(Testimony of Roy A. Langley.)

First National Bank of Seattle was charged on the same day with six thousand dollars with a notation "Wire." This only refers to the United States National Bank. There is a credit to the Olympia Bank & Trust Company of two thousand dollars on September 19, and it is charged to the First National Bank of Seattle on the same day.

On cross-examination by Mr. GOODALE, witness further testified: Witness can't find any item in the books of the bank which would identify the five thousand dollar note. Did not know there was any such note until witness found it on one of the desks and found that there was a charge of five thousand a hundred and fifteen dollars and thirty-three cents on the United States National books. Our records show nothing regarding this in any way. And our records do not show anything which positively identifies this, and they do not show any five thousand dollar item which may or may not have been this item from witness' examination. Witness could not say that this five thousand dollar item did not go through the books of the Tenino bank. They might have went through a year before that, that for all [101] witness could know, but there is no record he has been able to find regarding that five thousand dollar note in any way. There is no record of this note in our books in any manner whatever. Witness don't know that the charge of one hundred thirteen dollars and fifty-one cents made by the United States National is for this note. Don't know that it is or is not, but presumes so, and would not approve this item in the

(Testimony of Roy A. Langley.)

reconcilement. Found in the files that he took over as receiver a few of the monthly statements of the United States National. And found a statement covering the period in which this charge was made and there was included an item of five thousand dollars. Naturally it would indicate that that item was disputed if they had not given them credit for it. It is usual for one bank receiving a statement from another bank of items which are charged and credited against the bank that receives the statement to immediately take up and dispute any item that is objected to. Found no evidence to show that there ever was any such note except this statement. From the mere fact that the Tenino bank never gave them any credit for it it certainly would be disputed. Did not find anything except the absence of credit of the Tenino bank to indicate that that item was ever disputed in that item being charged against them. Witness has not any evidence that the Tenino bank disputed the item. A note of this kind would be in the note register. That is where it would be entered if it was a note entered in the bank. Witness could not connect this note at all. All notes made at the bank are supposed to have been entered by their name, maker and amount etc., but witness did not find any note of W. Dean Hays for five thousand dollars of that date. It would have been very easy to have this note go through the books of the bank and to have it actually appear as an asset of the bank and yet not have the name of W. Dean Hays appear on the books [102] if that had been

(Testimony of Roy A. Langley.)

desired by Mr. Hays if he had somebody else put the note in the bank. Witness' understanding concerning a certain Portland draft was that there were drafts drawn on Centralia and sent to the Merchant's National Bank in Portland and were paid by Centralia.

On redirect examination by Mr. OWINGS, witness further testified: There is nothing on the books of the bank that connect the State Bank of Tenino in any shape or form, evidencing any transaction between the State Bank of Tenino of the Blumauers' drafts drawn on the United States National payable to the Merchant's National Bank of Portland.

On recross-examination by Mr. GOODALE, witness further testified:

Proof of Claim of the receiver of the State Bank of Tenino filed with the receiver of the United States National offered in evidence, admitted and marked Plaintiff's Exhibit 3. [103]

On cross-examination of Mr. Roy A. Langley by Mr. P. M. TROY, he testified as follows: The six-thousand dollar item that I have testified to as being credited to Centralia, for which Centralia had made no charge is the six thousand dollars represented by money that was remitted by the Olympia Bank & Trust Company to Seattle, I would judge from the record. There are two two-thousand dollar items, the one in question and one a draft to Seattle, I testified to this the other day.



**Testimony of Frank P. McKinney, for Plaintiff  
(Recalled).**

FRANK P. MCKINNEY, recalled on behalf of the plaintiff and intervenors and interrogated by Mr. TROY testified as follows:

Whereupon it was admitted and agreed by counsel for the plaintiff and defendant that demand had been duly made by the plaintiff as receiver against the defendant as receiver before the commencement of this action.

**Testimony of Mr. Hill, for Plaintiff (Recalled).**

Mr. HILL, being recalled and interrogated by Mr. VANCE testified as follows:

When the United States National went into the hands of a receiver there was something like a million dollars of bills receivable, between one million and one million one hundred thousand dollars. There had been collected up to the time of trial between three hundred seventy-five and four hundred thousand dollars on these bills receivable.

Whereupon the plaintiffs and intervenors rest and the State Bank of Tenino rests. Whereupon Mr. Goodale, for the defendant moves that the first and second cause of action stated in the amended complaint of the plaintiff be dismissed, which motion was denied.

**Testimony of George Dysart, for Defendant.**

GEORGE DYSART, called as a witness on behalf of the defendant, after having been first duly sworn on being interrogated by Mr. GOODALE, testified as follows: [104]



(Testimony of George Dysart.)

I was trustee and second vice-president of the United States National Bank. I had no knowledge of the credit of \$48,000 or \$50,000 given to the Olympia Bank & Trust Company until the night of September 14, 1914. The directors of the United States National Bank were Vanness, myself, Charles Gilchrist, Mr. C. S. Gilchrist, and J. W. Daubney. The circumstances that lead to the closing of the doors of the United States National Bank were indiscretions that we found on the part of C. S. Gilchrist. When the war came on in August and September we took steps to strengthen the bank and increase the resources because we knew it was going to have more or less trouble and more or less withdrawals and we took steps to build up a bigger reserve and *put beyond* any question of trouble. We were arranging for Mr. Vanness to take up the indebtedness of the Clear Water Lumber Company by bonding. This would unload twenty thousand dollars, and then there was the Chester Snow Logging and Shingle Company who was a very heavy debtor. We were carrying their paper to a very heavy extent, either fifteen or thirty thousand dollars. Another deal was raising one hundred and twenty-five thousand dollars from the cities of Tacoma, Seattle and Olympia. We had been arranging for a hundred and twenty-five thousand dollars of that, which was sent down but was never used. We never authorized Mr. Gilchrist to give the \$50,000 credit to the Olympia Bank & Trust Company, nor did we

(Testimony of C. S. Gilchrist.)

authorize him to accept the notes of Mr. W. Dean Hays for \$36,500. Mr. C. S. Gilchrist was the active manager of the bank.

**Testimony of C. S. Gilchrist, for Defendant.**

C. S. GILCHRIST, called as a witness on behalf of the defendant, after having been duly sworn, interrogated by Mr. GOODALE, testified as follows:  
[105]

I was director and vice-president of the United States National Bank. When the Olympia Bank & Trust Company was organized there was an agreement from Mr. Hays that we would be allowed to charge these notes back to the account. We did not receive any money for that credit of fifty thousand dollars. I received stock in the Olympia Bank & Trust Company the *the* sum of \$2000 transferred to the National Bank of Commerce of Seattle. Later on our bank, the United States National received various deposits of money, cash items from the Olympia bank. With reference to the \$6000 item, Mr. Blumauer called me up as he did quite frequently and called attention to the fact that their drafts were going to protest in Seattle, and it was absolutely necessary that finances be transferred there to cover. I told him I would take the matter up with Mr. W. Dean Hays. I called Mr. Hays on the phone and told him of the situation, and told him to remit money there to protect the drafts. He did so and charged it to the United States National Bank. The other two transactions—the two \$2000 transactions were practically the same. We had

(Testimony of C. S. Gilchrist.)

sent Mr. Daubney up to assist in the managing of the Tenino bank. The \$9500. covering the *Baluaner* notes, that is the notes of the Blumauer Lumber Company, and I think the Blumauer Mercantile Company aggregating \$9500, which are charged against the Olympia Bank & Trust Company. These notes were charged to the Olympia Bank & Trust Company's account and were not returned directly to Mr. Hays for the reason that I had suggested that it would be better for us to retain them. To hold the notes until they were properly renewed and placed in better form so they could be handled. There was no suggestion that that paper be charged to the Olympia Bank & Trust Company prior to that time. The Olympia Bank & Trust Company had no connection with us in any way regarding the fact that this paper was charged to them. I do not [106] know whether they were advised they had been debited with these notes or not.

Witness knows about the transaction between the Tenino bank and the Portland, in which a claim was made that the United States National Bank had a part, and heard the testimony that has been given here in connection with it. The facts in regard thereto are that the state Bank of Tenino arranged for a loan of credit with the Merchant's National Bank of Portland, covering some three or four thousand dollars. Witness can't say positively, by giving and putting up the notes of the Blumauer Lumber Company. When these particular notes came due the Merchant's National Bank was insistent that they

(Testimony of C. S. Gilchrist.)

be taken up. Mr. Hays and witness, thinks as well Blumauer as well discussed the situation with witness, and witness suggested that in all probability the Merchant's National Bank of Portland would be glad to carry any part of these notes provided the account was renewed, or rather that payment would be made, and no doubt they would be glad to carry along the balance. In line with that suggestion they sent their ordinary drafts for five hundred or a thousand dollars, in fact drafts aggregating twenty-five hundred dollars. Sent various drafts for twenty-five hundred dollars to apply. The drafts were sent by Mr. Hays and Mr. Blumauer. Drafts on the State Bank of Tenino drawn on the United States National at Centralia. These drafts differ in no way than any other drafts drawn by them, other than the fact that they consulted me, stating why they were given and witness stated that he would protect the draft when they came in in the ordinary course of business, notwithstanding their account at that time, and that is the only connection witness had with the transaction. Had not knowledge of the fact that if it should turn out to be a fact that if the drafts were not paid off by Blumauer, or whoever they were issued to benefit [107] to the State Bank of Tenino. Was aware of the fact that there had been permitted for a long time by the State Bank of Tenino a large loan of credit and by the Blumauer Lumber Company for whose benefit these particular drafts were issued and that there was a business relationship there with the



(Testimony of C. S. Gilchrist.)

State Bank of Tenino by which they seemed ready to extend a large amount of credit. There was nothing in this particular transaction which was out of the ordinary or indicated any different arrangement between the Tenino Bank and the Blaumauer Lumber Company from what the arrangements had been in the past.

Was familiar with the transaction in regard to a certain five thousand dollar note of W. Dean Hays which was sent to his bank by and through the Tenino State Bank. Recollects a special agreement for a special deposit in connection with the five thousand dollar note. Defendant's Exhibit "B" having been shown to witness he describes that transaction. This is a letter from W. Dean Hays of the State Bank of Tenino to myself as vice-president of the United States National Bank, wherein he calls attention to a note of two thousand dollars, which we had been carrying for a considerable time and on which we had been insisting on its being taken up. He takes up the question of getting an additional loan, in fact a loan of five thousand dollars, in which he agreed to put up certain stock as collateral. The loan was finally made to the best of my recollection, along in November, with the understanding that three thousand dollars of the amount should remain as an established deposit for the State Bank of Tenino. They were to maintain this deposit until the note was liquidated. The note was charged to their account, witness thinks, under date of July 24, 1914. Not just positive as to the date. The five thousand



(Testimony of C. S. Gilchrist.)

dollars is one of the items in dispute as between the Tenino bank and the receiver of the United States National Bank. The two thousand dollar note was treated in exactly the [108] same manner as this five thousand, other than there was no agreement relative to their carrying any special deposit. The two thousand dollar note of Mr. Hays was sent down to the credit of the State Bank of Tenino and placed to their account and a statement rendered and reconciled. We credited the note to our account and have our certificate back showing that the account had reconciled. Had no knowledge that after he had charged up the five thousand dollar note, canceled it and returned it to Mr. Hays that it had not been placed to his credit for a considerable time afterwards, in fact a long time afterwards. In fact, we had made out our statements monthly and insisted that the statement be made and he tendered the reconciliation on the form we have and stated he had examined the account and found it correct.

Witness being showed Defendant's Exhibit I-B. That is a statement for reconciliation of the accounts between the United States National Bank and the State Bank of Tenino, showing the two thousand dollar note of W. Dean Hays that witness has just testified to. Being shown Defendant's Exhibit I-A, he testifies that that is an acknowledgment executed by the State Bank of Tenino, W. Dean Hays, Vice-President to the United States National Bank as to the correctness of their statement, of the statement of their account at the close of business July 25, 1913,

(Testimony of C. S. Gilchrist.)

certifying the account rendered was examined and found correct, being the same note witness has referred to.

On cross-examination by Mr. OWINGS, witness testified: Witness being shown defendant's Exhibit I-B, testifies in explaining the same that the statement here calls attention to the note originally given by W. Dean Hays for \$2,000, and he afterwards applied for a five thousand dollar loan with the distinct understanding that he was to maintain a special account and balance of three thousand dollars. That evidences the fact [109] that the two thousand dollar note was paid. This is all there is in the statement that has anything to do with this transaction. The five thousand dollar note sent to us in the ordinary course of business with all the notes that we took from the State Bank of Tenino was credited to the State Bank of Tenino, and the five thousand dollars went to the credit of the State Bank of Tenino. The original note, when it was sent down, came up from the State Bank of Tenino as ordinary paper rediscounted. It was sent down in the same manner as other notes we had taken. It came directly from the State Bank of Tenino to us for credit. The note was not signed or executed in Centralia. The original note was made six months prior to that. The exhibit is the original of the note. Witness is not sure if the first note had the Tenino State Bank's endorsement. It was drawn on their paper when it came down. We often took paper from them with the endorsement of the bank. It was

(Testimony of C. S. Gilchrist.)

drawn on their form. The Centralia bank's form was used because it was not unusual for witness, when a note was long overdue and he had made a special effort to get a new note and get new paper into the bank to make out a note himself and forward it and ask that it be executed and returned promptly. Witness has not stated that the State Bank of Tenino was an endorser on the note. Witness thought it was the note of the State Bank of Tenino, the same as he did any other note he took from there, and he took a great many from them. There wasn't any signature of the State Bank of Tenino, nor was there on other notes that he got in the same manner. Witness supposed this was an obligation of the State Bank of Tenino, as well as an obligation of W. Dean Hays. The five thousand dollars was placed to the credit of the State Bank of Tenino and that was an open account that had existed for many years, and it fluctuated back and forth as the different transactions occurred. That is an active [110] current, open account. There wasn't any special deposit of this three thousand dollars in any way. It did not come in the form of a C. D. It didn't go into the open account or bank account of a different character in any respect than this open account, but it was clearly understood between Mr. Hays and witness for what purpose it was meant and was the special account meant when he said special account. Witness being shown State Bank of Tenino's Exhibit 5, testifies that the following excerpt:

(Testimony of C. S. Gilchrist.)

“We also charge your account and return herewith note of your Mr. W. Dean Hays for five thousand dollars and interest a hundred thirteen thirty-three, making a total charge of five thousand a hundred and thirteen dollars and thirty-three cents” refers to this transaction. That note was charged to their account returned to Mr. Hays and he failed to credit it to our account and we sent him our monthly statement, and repeatedly asked him to send us an acknowledgment of the statement showing that the same was correct according to their books and that was not forthcoming and finally he returned this note to us, asking as a special favor that we again credit the account and we done so temporarily covering a period of some two or three weeks, I should judge, when we again charged the note and sent it back to him. The note was forwarded by us in the ordinary course and sent back, and then we credited it back to Tenino then we again sent it to Tenino and charged it to their account. He sent the note back for the purpose of getting his books in proper shape so that they would agree with ours, anticipating a call from the bank examiner and I wrote and told him we would be pleased to credit that draft, so he could get his books straightened up and checked up, and as soon as that was done we immediately charged the note to his account and returned it to him. The general account that existed between [111] the State Bank of Tenino and the United States National Bank after the execution of this note was at times comparatively small and some-



(Testimony of C. S. Gilchrist.)

times overdrawn and after the execution of this note their books would show an overdraft of Terino's account. There was deposited as collateral for this note some collateral of some coal company over in Montana. Witness did not recall ever having received any stock in the State Bank of Tenino as collateral, but is not prepared to swear that he did not receive that as collateral. Could not positively testify that the stock in the coal company was issued to W. Dean Hays. Did not recall that Hays and Blumauer and himself were all together at a conference in regard to taking care of the obligations of the Blumauer Company in the transaction between the Tenino bank and the United States National and the Merchant's National in Portland, but thinks it was discussed by each of them at different times. Mr. Blumauer was a heavy debtor of the United States National at that time, and we were carrying them to quite an extent, and witness felt at that time that he desired to protect Mr. Blumauer's credit just as well as he could. Mr. Blumauer stated that the Tenino State Bank was not in a position to take this paper up. The plan was proposed that Tenino was to draw its usual drafts on the United State National, payable to the Merchant's National and when that was returned to the United States National that they would carry it and when these drafts were presented in the ordinary manner that we would protect the drafts, notwithstanding their account was overdrawn. As far as the Blumauer Lumber Company was concerned and so far as Mr.



(Testimony of C. S. Gilchrist.)

Blumauer was concerned witness supposed it was their intention to make their arrangements with the State Bank of Tenino covering this draft, and then in turn for the State Bank of Tenino to have us carry it for them, but it was never done. It was witness' idea of the plan that was [112] agreed upon that when the drafts came back from Portland that then it would be charged to Tenino's account. The drafts were to be sent by me to Tenino in the ordinary course of business, go back at the end of the month. The drafts went back to Tenino cancelled and returned with a statement at the end of the month. Our statements show the drafts and cancelled vouchers returned. Did not know, as a matter of fact they were found with the paper and files of the United States National Bank. The statements showed these particular drafts were returned. Could not testify as to whether any of the statements he sent down showing this transaction was accepted by Tenino.

Redirect examination of Mr. GILCHRIST, by Mr. GOODALE, witness testified: The United States National Bank, during August and September, 1914 was a solvent, going concern. We had an arrangement for payment of a large amount of indebtedness of companies which have since gone into bankruptcy. The officers of the bank, however determined to close the doors by reason of the conditions prevailing brought on largely by the war that it might be advisable to increase the reserve by reduction of our bills receivable and in line with that we had arranged

(Testimony of C. S. Gilchrist.)

with the Eastern Railway & Lumber Company to bond their property with that of the Chester Snow Logging Company for \$250,000. Out of the proceeds of the bond issue we were to take up fully one hundred thousand dollars of paper of the Chester & Snow Logging & Shingle Company held by the United States National Bank and pay the indebtedness of the Eastern Railway & Lumber Company in addition to that. And in connection with that some twenty or thirty thousand dollars had been paid by the Lumberman's Trust Company of Portland who were under contract to take over the bonds. We had an arrangement with J. A. Vanness for the J. A. Vanness Lumber Company who was bonding his timber land at Winlock for one hundred twenty thousand dollars or one [113] hundred thousand dollars, fully one hundred thousand dollars. As possible that amount would have gone to have taken paper of the Clearwater Lumber Company upon which Mr. Vanness was an endorser. This transaction had reached the stage of the trust company with whom he was bonding, having paid him some thirty or forty thousand dollars. We had other arrangements for securing two hundred twenty thousand dollars from the correspondent banks in Tacoma, Seattle, and Olympia. Twenty-five thousand dollars had already been sent by the National Bank of Tacoma. The balance of the money was forthcoming upon the examination of the issue of certain letters of credit which was issued by myself on behalf of the United States National Bank in

(Testimony of C. S. Gilchrist.)

connection with the Winkleman bank company transaction and this transaction did not appear to be quite clear to the Bank of California of Tacoma. These three transactions, aggregating some four hundred thousand dollars. These deals fell through with because of the irregularities in the affairs of our bank. None of the directors had any knowledge of the Olympia transaction except Mr. Daubney. When I went to Olympia with the certificates of deposit, I expected that the stock had been sold for cash, and it was a surprise to me that it was not. The \$24,050 note was charged to the Union Loan & Trust Company. I directed that it be charged to the Union Loan & Trust Company and credited to the Olympia Bank & Trust Company. There was subsequent deposits made by the Olympia Bank & Trust Company with the United States National and these were added to the fifty thousand dollars credit already referred to. [114]

On cross-examination of Mr. GILCHRIST, by Mr. O'LEARY, he testifies: During the months of August, 1914, and September, 1914, and until the time the United States National Bank closed its doors, I was actively in charge of the United States National Bank as its vice-president. I was the person who managed the business principally. I was the active manager of the bank. I talked quite frequently with Mr. Hays over the telephone about the organization of the Olympia Bank. The manner was discussed in Tenino at first and at Centralia and Olympia. I went over to Olympia quite frequently

(Testimony of C. S. Gilchrist.)

to talk with Mr. Hays about the subject. The fifty thousand dollar certificate signed by Mr. Daubney was given to Mr. Hays in my presence in Olympia. Mr. Daubney and myself came over to see Mr. Hays about getting the Olympia Bank & Trust Company started. When we got to Olympia we found that the \$36,550 certificate had not as yet been subscribed for. It was my understanding that Mr. Hays ultimately was to have ten thousand dollars worth of stock and not to exceed fifteen thousand dollars, and when we went over the matter with Mr. Hays we received the understanding that there was \$36,550 worth of stock which had not yet been subscribed for. I understood that all of the stock of the Olympia Bank and Trust Company had to be paid for before the bank could open up and do business. The stock was to be turned over to us and subsequently was turned over to us, and so as to make the entries on our books balance we deemed it necessary to have him execute this note and attach this stock and send it over here making a total of fifty thousand dollars and we could certify to the amount being paid until we could arrange in some way to have the stock placed to the credit of the Olympia Bank & Trust Company. The understanding we had with Mr. Hays was that he was to subscribe for the balance of the stock of the Olympia [115] Bank & Trust Company. He told me that the various officers understood it. There was nothing said about the Olympia Bank & Trust Company subscribing for the rest of its own stock. That was



(Testimony of C. S. Gilchrist.)

impossible. He did not tell me that he was subscribing for the Olympia Bank & Trust Company stock as cashier of the Olympia Bank & Trust Company. He was subscribing for it in his personal capacity. The stock had not yet been issued. It was about seven to ten days after issuing the fifty thousand dollar certificate that the stock was turned over to us. We would not certify to the balance of fifty thousand dollars until we had something to show for it, so Hays sent the notes for \$36,550, and we took it through notes given by various organizers of the bank, and overdrafts aggregating \$48,000, the total amount of the notes was \$48,000. When we issued the fifty thousand dollar certificate we received forty-eight thousand dollars worth of notes, and two thousand dollars in cash. The stock was all issued to Mr. Hays. It was our understanding that we were to receive stock as collateral for the Hays notes. My understanding was that the stock was to be collateral for the two Hays notes, not for the others. We did not ask for security on the other notes for eleven thousand four hundred fifty dollars. I took into consideration the fact that he had associated with him the highest state officials and men who were held in high esteem by me personally. I was willing to take all of the notes given me at the time except the Hays notes without any security at all. That day when I came up I was anxious to have the bank started at any early date, to have it started and get through with it. When I drove over on the 19th of August I brought \$2,500 cash



(Testimony of C. S. Gilchrist.)

with me, so the bank could open its doors. That was on the 19th of August. The understanding was that Mr. Hays at no time would become interested to exceed fifteen thousand dollars in the Olympia Bank [116] & Trust Company. It was really thought he would take only ten thousand dollars. I knew he did not have cash to pay for the ten thousand or fifteen thousand dollars of stock. This goes back to the point of where he represented he was selling his interest in the State Bank of Tenino to me. I came over thinking Mr. Hays would not subscribe for more than ten thousand or fifteen thousand dollars worth of stock and brought twenty-five hundred dollars with me, and when I found that Hays was subscribing for \$36,550 worth of stock I did not change my plans with reference to going ahead and financing the thing. I hesitated about going ahead with it, but he represented that these various men had already gone into it and he had certainly convinced them that he was able to handle the situation. I then consented to carry out the plans along the lines that we did. We expected they would carry a desirable account with us. We naturally expected that we would receive a fairly good account from the Olympia Bank & Trust Company. We expected to be their main correspondent and to carry what idle money they had with us. We expected they would carry a substantial amount in our bank until such time as the Olympia Bank took up the stock certificates and Hays notes, and that was one of the reasons why we were interested in

(Testimony of C. S. Gilchrist.)

the bank. But was not the chief reason, there was another reason. We were heavily interested in the Tenino State Bank that had been managed by Mr. Hays. We could ill afford to see the State Bank of Tenino forced to the wall and from indications and examinations I had made I had felt that it was rather necessary that we give our attention to the State Bank of Tenino to get it straightened up in shape. The organization of the Olympia Bank & Trust Company, Mr. Hays being the active manager there would certainly have arranged in some way to protect some of the paper in the State Bank of Tenino, which he owned. If it was necessary [117] to take over some of the paper he would have taken it over. That was another reason. It would have been another outlet for the Tenino bank. Another place where the Tenino paper could have been shifted I was interested in other banks in the southwestern part of the state, The Union Loan & Trust Company of Centralia and the Willipa Harbor State Bank at Raymond. The United States National was a correspondent of these banks. The Union Loan and Trust Company was a bank in which I was a stockholder. When the \$24,050 note came into the hands of the United States National Bank the Olympia Bank & Trust Company was given credit for it. It was one of the items that made up the \$48,000 item that the United States National Bank gave the Olympia Bank & Trust Company credit for when the Olympia Bank & Trust Company opened its doors. The \$24,050 Hays note was

(Testimony of C. S. Gilchrist.)

transferred from the United States National Bank after it had given the Olympia Bank & Trust Company credit for that amount to the Union Loan & Trust Company. When Blumauer called me up about the six thousand dollars remitted to Seattle and the other two thousand dollar items, I told him we could do nothing with it, but I would call up Mr. Hays and have him take care of it. I did not tell Mr. Blumauer to take it up with Mr. Hays himself. I told Hays to take care of these drafts and send the money to Seattle for the credit of Tenino without saying anything to him at all how the amounts were to be ultimately charged. As to the three notes aggregating nine thousand five hundred dollars, spoken of as the Blumauer notes consisting of two notes of the Blumauer Lumber Company in the sum of thirty-five hundred dollars each, and the note of T. H. McClafferty for twenty-five hundred dollars, Mr. McClafferty was a man who worked for Mr. Blumauer, an official in the Blumauer Lumber Company. This was paper that had been taken by us from the State Bank of Tenino. It was charged [118] up against the Olympia Bank & Trust Company, September 4, 1914. Our bank remained open for three weeks after that and still we never sent the notes to the Olympia Bank & Trust Company and we never notified them. All of our charges made back and forth between the United States National Bank and the Olympia Bank & Trust Company were confirmed by letter. This was the only transaction that was not confirmed by letter. I ex-

(Testimony of C. S. Gilchrist.)

pected to get renewal notes before sending them to the Olympia Bank & Trust Company. We did not expect the Olympia Bank & Trust Company to buy the notes which were found in the United States National at the time it went into the hands of a receiver. It was my intention to forward the Olympia Bank & Trust Company the new paper after I got it. The renewal notes in lieu of these Blumauer notes which I expected to sent to the Olympia Bank & Trust Company were never executed. The notes that the Olympia Bank & Trust Company were going to buy were the new notes, and it was not going to take a lot of old paper. I never considered for one minute that W. Dean Hays would personally take up that paper. We went over the situation and he satisfied me of the situation. I thought it strange that they would go ahead and let him subscribe for this stock. They knew his financial condition as well as I did and they knew he did not have the ability to take over thirty-six thousand dollars, and when I knew that, and knew about the taking over of stock and notes I was loath to do that and hesitated a long time. Mr. Hays was to dispose of this stock as quickly as he could, and from the representations he made I had every reason to believe that it would be taken up very quickly. I expected Mr. Hays to sell a part of the \$36,500 worth of stock. I was a witness in the case tried in the Superior Court of the State of Washington, being cause No. 5636, entitled State of Washington, plaintiff, vs. W. Dean Hays, defend-



(Testimony of C. S. Gilchrist.)

ant, a criminal case [119] and was a witness. I was sworn as a witness and testified to having a conversation with Mr. Hays during the time he was organizing the bank relative to the purpose of having this stock issued in his name and why it was. I was asked the following questions in that case. "Do you think you could recall the exact terms of such conversation, or would you be able to recall in substance?" And I answered: "Well, I will have to relate in a general way if that will answer the purpose. At the time these notes were accepted it was the thought and understanding on my part that Mr. Hays could and would dispose of the various, of a considerable amount of the stock to definite individuals. And at one time he submitted a list to me of various persons with whom he had discussed the question of taking stock. He felt very confident of their ability to place the stock, and while the amount referred to was very much in excess of that we had discussed at previous times, I felt rather sure of his ability to place the greater amount of the stock in a reasonable time due to the fact of his having associated with him some very prominent men in this city, and it was deemed advisable at that time to have the stock drawn in certificates, small denominations. As I have said, he at one time he submitted a list of numerous persons that contemplated taking stock. As I understand it, these certificates were then drawn in small denominations. Does that answer the question?" Mr. Hays told me that he subscribed to the \$36,550 worth of stock per-

(Testimony of C. S. Gilchrist.)

sonally. I had no other means of knowing except what he told me. I never had any dealings with anyone with reference to the forty-eight thousand dollars of notes or fifty thousand dollars original credit with the Olympia Bank & Trust Company, except with Mr. Hays. The only one I dealt with was Mr. Hays, and all I knew about the matter was what Mr. Hays told me. The notes were signed by W. Dean [120] Hays. At the time these notes were given the Olympia Bank & Trust Company had been organized. It could not do business however until it got the certificate from the bank examiner. I am serving sentence in the United States Penitentiary at McNeil's Island for the commission of a crime connected with the affairs of the United States National Bank. I am not familiar enough to say whether I was convicted of three different felonies or one, or whether the one transaction was covered by three charges.

On further cross-examination by Mr. VANCE, witness testified: I had no consultation with Mr. Hays' associates but from the knowledge that he was placing the stock and in line with that I said perhaps it would be well for you to subscribe for the stock of this corporation. Then I stopped and thought a minute about having him sign as agent or trustee. I perhaps used both words, I stopped and hesitated a minute and thought if any difficulty arose it would only bring up the necessity of showing who he was trustee for, and I said perhaps you had better

(Testimony of C. S. Gilchrist.)

not use that term at all. You would better subscribe in your own name and take the stock.

On redirect examination of Mr. GILCHRIST by Mr. GOODALE, witness testified as follows: Witness would say this five thousand dollars was practically a renewal of the two thousand dollars, the original loan, because that was specially referred to when he made application for the five thousand dollars, that it was for the purpose of taking up the two thousand dollars. It is usual for all banks to protect the credit of their clients in every instance.

On recross-examination of Mr. GILCHRIST by Mr. VANCE, witness testified as follows: I had no agreement with anybody except Mr. Hays. I don't mean to be understood that Mr. Hays was signing the note as trustee [121] for the Olympia Bank & Trust Company. I did not testify on the former trial that Hays had authority to sign as trustee.

#### **Testimony of J. A. Vaness, for Defendant.**

J. A. VANESS, being a witness called on behalf of the defendant, after having been first duly sworn, on interrogatories propounded by Mr. GOODALE, testified as follows:

My name is J. A. Vaness. Am one of the directors of the United States National Bank of Centralia and was on the 14th day of September, 1914. I do not have any knowledge of any transaction by which the United States National Bank advanced any of its funds to the credit of the

(Testimony of J. A. Vaness.)

Olympia Bank & Trust Company. The first time I learned of it was at a meeting in Judge Dysart's office.

**Testimony of George Dysart, for Defendant  
(Recalled—Cross-examination).**

GEORGE DYSART, having heretofore been sworn was recalled for further cross-examination, and testified as follows, when interrogated by Mr. VANCE:

Identifies minutes of meeting of the board of trustees which he testifies are correct except that the date is wrong. The meeting, the witness testifies was several days before the 19th. The following portion of the minutes of the United States National Bank read in evidence:

“Directors, Meeting, September, 19, 1914.

Directors called at request of the cashier, president George Dysart, J. A. Vaness and J. W. Daubney. General discussion was had regarding the affairs of this bank and condition was such that it was unanimously voted to wire the national bank examiner.” Signed by myself as vice-president and attested by J. W. Daubney, Cashier.

Also minutes of the United States National Bank of date September 21, 1914, read in evidence, as follows: [122]

“The minutes of September 21, 1914: A special meeting of the board of directors of the United States National Bank of Centralia, Washington was held at the bank on the morning of the above date. The following above-named directors were present, Charles



(Testimony of George Dysart.)

Gilchrist, George Dysart, and J. W. Daubney, being a majority of the said board of directors. On motion of George Dysart, the following resolution was adopted: 'whereas upon due consideration of the board of directors, it appears to the satisfaction of the board that the United States National Bank of Centralia is in a failing condition, and that it is unable to pay the depositors in the ordinary course of business, therefore it is resolved that the officers of this bank be instructed to close the doors of the said bank and deliver the management of the said bank to the United States Bank Examiner, Roy L. Mult.'

Signed Charles Gilchrist, J. W. Daubney and George Dysart."

The bank examiner did not want to close the doors but matters came up that made it clear to my mind that if we opened the bank Monday morning we would have a run. I do not mean to contradict the recitation of the minutes as follows:

"Upon due consideration of the board of directors it appears to the satisfaction of the board that the United States National Bank is in a failing condition and unable to pay its depositors in the ordinary course of business." On Saturday afternoon and Sunday we had practically undone what we had done in the way of getting money. We had stopped the process of getting more money and building up the reserve.

**Testimony of Frank A. Hill, for Defendant  
(Recalled).**

MR. FRANK A. HILL, having heretofore been sworn, was called on behalf of the defendant and testified as follows, on interrogatories propounded by Mr. GOODALE:

With reference to Plaintiff's Exhibit 5 it shows the account between the Olympia Bank & Trust Company and the United States [123] National Bank as shown by the books of the United States National Bank. It is a copy of the ledger account between the Olympia Bank & Trust Company and the United States National Bank. Transcript of the book that I referred to. There is a charge against the Olympia Bank & Trust Company which the receiver of the United States National Bank has made or attempted to make in the account with the Olympia Bank & Trust Company, which does not appear on the books of the United States National and is not shown upon the statement. The charge is of \$11,450 made up of stockholders notes of the Olympia Bank & Trust Company. These are notes taken as part of the \$48,000 credit, which was on August 19.

Mr. Goodale offers in court to return those notes to the receiver upon proper credit being made by cutting off that \$11,450.

Attorneys for plaintiff and intervenors reserve the right to pass on the offer until the following morning.

The books of the United States National Bank say there is a credit due the Tenino State Bank of three

(Testimony of Frank A. Hill.)

thousand five hundred eighty dollars and twenty-one cents. In addition to this credit is due them for the remittance on the 19th which we had charged to their account. The remittance of the 19th was for three thousand thirty-six dollars and ninety-four cents, but in that remittance was a certified check for two thousand dollars, which is a charge as I understand from counsel this morning, and they are willing to admit a two thousand dollar charge. That leaves the balance of credit due them on that transaction of ten hundred thirty-six dollars and ninety-four cents. That is to be added to the three thousand dollars already referred to. Then there was another remittance on the 19th of checks which we had cashed, the United States National Bank had cashed, drawn on the Tenino State Bank, and they were [124] forwarded to the Tenino State Bank but reached there after that bank had closed, consequently were returned to the United States National Bank and the receiver has received credit or its equivalent for these items. There is two hundred and sixteen dollars and ninety-eight cents credit due the Tenino State Bank on that, that has to be added to the other two items mentioned. That represents the items that were sent the Tenino State Bank and were returned, and they are now entitled to credit for. Then the checks six hundred seventy-seven dollars seems a credit should be given them on that. The credit claimed by the Tenino bank and disputed by the receiver of the United States National Bank is five thousand dollars on account of the Dean Hays note and twenty-five hundred dollars on account

(Testimony of Frank A. Hill.)

of these drafts. One draft for one thousand dollars and three drafts for five hundred dollars each, the Blumauer drafts. These are additional credits claimed by the receiver of the State Bank of Tenino. The total indebtedness of the United States National Bank to the Tenino bank, omitting the credits which are claimed by the Tenino, are five thousand five hundred and eleven dollars and thirteen cents. That is the United States National Bank account due the Tenino State Bank. That does not take into account the Tenino bank's claims that Centralia disputes. As against that amount of five thousand five hundred and eleven dollars there is a dispute over the item of the note of W. Dean Hays, exactly in the amount of five thousand dollars. If the court should consider that the five thousand dollars was an improper and illegal charge by the United States National Bank against the Tenino bank the indebtedness of the United States National would be five thousand dollars larger. We have already charged their account and they want credit given back for it. The items claimed by the Olympia Bank against the United States National Bank aren't taken into account here. If the Court [125] should be of the opinion that neither of those items claimed by the Olympia bank as charges against the United States National ought to be allowed by the Olympia Bank against the United States National, they would become credits to the Olympia Bank & Trust Company, have a tendency to raise their balance with the United States National Bank and decrease the balance of the Tenino State Bank. In



(Testimony of Frank A. Hill.)

other words what the United States National Bank represents was that any money that was sent from Olympia to Tenino was the money of the Olympia bank and that therefore the Olympia bank should look to Tenino for it, and if it should be held that any part of that was our money, was merely sent, it was merely a payment from the Olympia bank then that amount would have to be credited by the Tenino bank to us and would reduce our indebtedness to the Tenino bank. The other items in dispute as between the Tenino bank and the United States National are the drafts for twenty-five hundred dollars. These are charges which have already been made by the United States National Bank and deducted from their account and they are deducted in arriving at this balance of five thousand, five hundred and eleven dollars. Those make up all of the items in dispute except one or two very small little items that doesn't amount to anything either way.

On cross-examination of witness by Mr. OWINGS, he testified as follows: He struck a balance of three thousand five hundred and eighty dollars and twenty-one cents then a credit was given Tenino of three thousand and thirty dollars and ninety-four cents for certain remittances, and two thousand of that was deducted on account of the certified check of Campbell & Campbell, so that in ascertaining this balance of ten hundred thirty-six dollars and ninety-four cents there can properly be added to this three thousand five hundred and eighty dollars. There was an item of two

(Testimony of Frank A. Hill.)

hundred sixteen dollars and ninety-eight cents that [126] a similar transaction that was allowed and has to be added and there was six hundred seventy-seven, a check that was drawn on the Seattle National, which has now been conceded by the defendant and that may be added to our balance. It is in that way that witness arrives at the figure five thousand five hundred and eleven dollars and thirteen cents. If the Court determines that the five thousand dollars that there was no right on the part of Mr. Gilchrist to charge to the Tenino bank, that should be added, and if the Court determines that the liability on the drafts should be charged to Centralia then that should be added and if the Court connected the United States National and the Tenino State Bank with the six thousand dollar transaction as a liability of Tenino, that should be deducted. There isn't any dispute about any of these except the five thousand dollar note and the four drafts, one for one thousand dollars and three for five hundred dollars. The books of the bank don't show that that six thousand dollars transaction was transacted by the United States National on the books of the United States National at all.

Upon redirect examination of Mr. Hill by Mr. GOODALE, he testified as follows: Testifying from the General ledger of the United States National Bank of Centralia, page 209, on November 25, 1913 the State Bank of Tenino was given credit for five thousand dollars the proceeds of the Hays note which

(Testimony of Frank A. Hill.)

was discounted on that day, the renewal of which is the note in evidence before this Court.

Upon recross-examination of Mr. Hill by Mr. OWINGS, he testified as follows: Witness would say as a bookkeeper, in view of the testimony which he has heard here that the five thousand dollars was credited Tenino's account at that time. That must have been the transaction of discounting the note. This note which is in evidence together with one hundred thirty-three dollars and [127] thirteen cents was charged to the account of the State Bank of Tenino on the 15th day of July, 1914. Credit was given the State Bank of Tenino on the 16th for five thousand dollars. The 16th of July, 1914 and on the 24th of July the State Bank of Tenino was again charged five thousand dollars, so the transaction when you get through was one charge of five thousand dollars.

On cross-examination by Mr. TROY, witness testified as follows: This Plaintiff's Exhibit 5 the paper I testified to yesterday was made by Mr. Ross Daubney after the bank closed. We had several clerks and this is his work. I remember the circumstances of its being delivered to Mr. McKinney the receiver. I was present. The forty-eight thousand dollar credit here includes eleven thousand, four hundred fifty dollars worth of notes of the other stockholders of the intervenors. And that is not charged on the opposite side. None of the notes of the intervenors are charged. This charge of eleven thousand, four hun-

(Testimony of Frank A. Hill.)

dred fifty dollars, Plaintiff's Exhibit 5 is one that has been made by the receiver. It is a deduction that we draw from the circumstances as to the relation between the two banks and was not charged upon the books.

On cross-examination by Mr. VANCE, witness testified: The balance due to the State Bank of Tenino by the United States National Bank of Centralia on the 18th is shown by the books of the United States National Bank, on the 17th was fifteen hundred and twenty-five dollars; on the 18th six thousand, five hundred and twenty-nine dollars on the 19th three thousand, five hundred eighty dollars and twenty-one cents.

Whereupon defendant rests.

**Testimony of W. Dean Hays, for Plaintiffs  
(Recalled in Rebuttal).**

W. DEAN HAYS, recalled in rebuttal by plaintiffs and intervenors interrogated by Mr. VANCE, on direct examination testified as follows: [128]

I did not have a conversation with Mr. Gilchrist over the telephone in which he told me it was my business that I was to take care of the State Bank of Tenino by my own credit.

On cross-examination by Mr. GOODALE, witness further testified: I testified before that he called me up to make this remittance. He did not use the words it was up to me to send it. Mr. Gilchrist told me to remit for the United States National Bank.



**Testimony of Roy A. Langley, for Plaintiff  
(Recalled).**

ROY A. LANGLEY, having been heretofore sworn, was recalled on behalf of the plaintiff Tenino State Bank, and on being examined by Mr. OWINGS testified as follows: Witness had heard the testimony of Mr. Gilchrist as to the charging back and forth of the five thousand dollar Dean Hays note. Witness does not think there would be anything out of the ordinary for a banker to credit a note of that kind to a banking institution when as a matter of fact the proceeds were to be used by an individual like Mr. Hays. It would be proper. Probably if he borrowed that money in Centralia he would not want to carry it up there in money, he would take it, have it at the bank and draw his checks on Tenino for it.

On cross-examination by Mr. VANCE witness testified as follows: I am familiar with the ledger and general accounts of that bank as they are shown for the month of September, 1914. The Blumauer Lumber Company and the Blumauer Logging Company and the Tenino Lumber and Manufacturing Company did not have any account with the State Bank of Tenino. None of them carried an individual account that is a checking account or certificate account.

On cross-examination by Mr. GOODALE: These companies were all under the same control. There was no checking account in any other name used for them they had no notes in the bank at the time I took charge of it. [129]

**Testimony of Mr. Hill, for Plaintiff (Recalled in Rebuttal).**

Mr. HILL, having been heretofore sworn was recalled in rebuttal on behalf of the plaintiff and intervenors, and testified as follows: Interrogated by Mr. VANCE:

On July 24, in the column marked D. R. it is shown that the long and short account was fourteen hundred fifty-nine dollars and fifty-seven cents. It indicates rather a careless manner of keeping accounts. This is the long and short account of the United States National Bank. The books of the United States National Bank on the 15th of January, 1914 show the following conditions of the long and short account:

“On the 15th of January, 1914, they credited the account \$5.00; on the 6th of February they credited the account \$100.00; on the 9th of February they credited the account \$18.25; on the 30th of March they credited the account \$49.00; on the 8th of April they credited the account \$167.49; on the 22d of April they credited the account \$100.00 and on the 27th they debited \$95.00; on the 5th,—on the 6th of May they credited the account \$25.00 on the 24th of July they debited the account \$14.25; on the 15th of July they credited the account \$100; on the 24th of July they debited the account \$1,459.57; and credited the account with \$227.30; on the 25th of July they debited the account \$35.00; on the 28th debit \$80.00; on the first of August debit \$50.00; on the 6th of August credit \$5.54; on the 7th of August credit \$10.00; on the 13th they credited \$41.29; on the 16th

(Testimony of Frank A. Hill.)

of August they debited the account \$86.00; on the 19th of August they debit the account \$240.00; on the 15th of September they credit it \$375.00; on the 17th \$142.00 on the 18th \$133.00.”

Whereupon the plaintiff rests, the intervenors rest, the Tenino State Bank rests and the defendant rests.

Testimony closed and no further evidence was offered on either side. [130]

**Certificate of Cushman, D. J., to Statement of Evidence.**

THIS IS TO CERTIFY that the foregoing and annexed condensed statement of evidence herein, came on regularly before the above-entitled court, upon notice, for approval, on the 30th day of October, at the hour of 2 o'clock P. M., and it appearing to the Court that all parties had notice thereof, and that there are no objections thereto, and the Court being duly advised now hereby approves the said foregoing and annexed condensed statement of the evidence herein and certifies the same as a statement of the evidence to the Circuit Court of Appeals, Ninth Circuit, holding terms at San Francisco, California.

Dated October 30, 1916.

EDWARD E. CUSHMAN,  
Judge.

(Filed Oct. 30, 1916.) [131]

**Notice of Application for Consolidation of Causes,  
etc.**

To the Above-named Defendant and to His Attorneys, R. P. Oldham and R. C. Goodale.

You are hereby notified that the undersigned solicitors for the complainant will present the application for consolidation herein and for enlargement of time to the Court at the incoming of court on July 27th, 1916.

P. M. TROY,  
R. F. STURDEVANT,  
Solicitors for Complainant.

Service of the foregoing notice admitted this 22d day of July, 1916, to the hearing of the said application and motion.

R. P. OLDHAM,  
R. C. GOODALE,  
Attys. for A. R. Titlow, as Recv.

(Filed July 27, 1916.) [132]

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**Application for Consolidation of Causes, etc.**

Comes now the complainant and applies to the Court for an enlargement of the time for the filing of a transcript on appeal in the above-entitled cause, and an extension of the said time to September 20th, 1916.

This application is based upon the records and files herein and the affidavit of P. M. Troy one of



the solicitors for the complainant annexed hereto.

P. M. TROY,

R. F. STURDEVANT,

Solicitors for Complainant. [133]

(Filed July 27, 1916.)

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### Application.

Comes now the complainant by his solicitors, P. M. Troy and R. F. Sturdevant, and applies to the court for a consolidation of the above-entitled cause with that certain cause pending in the above-entitled court wherein Roy A. Langley as receiver of the State Bank of Tenino, Complainant, vs. A. R. Titlow, as receiver of the United States National Bank of Centralia, Defendant, the same being cause No. 50-E, in Equity in the above-entitled court, so that but one transcript and one record may be used on the said appeal and one set of briefs.

This application is based upon the records and files herein.

P. M. TROY,

R. F. STURDEVANT,

Solicitors for Complainant.

We consent to the foregoing consolidation.

FRANK C. OWINGS,

Solicitor for Complainant Roy A. Langley in Cause  
No. 50-E.

THOS. L. O'LEARY,

Solicitor for Intervenors.

(Filed July 27, 1916.) [134]

**Affidavit of P. M. Troy.**

State of Washington,  
County of Thurston,—ss.

P. M. Troy, being first duly sworn, deposes and says: That he is one of the solicitors for the complainant herein; that the stenographer has just completed transcribing the testimony herein; that the same amounted to over six hundred pages, to wit, to 621 pages; that the said transcript of testimony has just been delivered to solicitors for the complainant herein; that the solicitors for complainant have had no opportunity nor time to reduce and condense the testimony herein in compliance with equity rule No. 75, and that your solicitors have had no opportunity or time to reduce and prepare the record in compliance with the said rule; that it is necessary that they have until the 20th day of September, 1916, for the purpose of preparing the transcript herein.

Furthermore affiant saith naught.

P. M. TROY.

Subscribed and sworn to before me this 26 day of July, 1916.

[Seal] R. F. STURDEVANT,  
Notary Public in and for the State of Washington,  
Residing at Olympia.

(Filed July 27, 1916.) [135]

**Order Extending Time to File Transcript to  
September 20, 1916.**

This matter coming on to be heard on the application to enlarge the time to file the transcript herein, and it appearing to the Court that there is good cause for the enlargement of time, the Court does now hereby extend and enlarge the time to file the transcript herein to and including September 20th, 1916.

Dated July 27th, 1916.

EDWARD E. CUSHMAN,  
District Judge.

(Filed July 27, 1916.) [136]

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**Order Consolidating Causes for Hearing.**

This matter coming on to be heard on the application of the complainant for consolidation of the above-entitled cause with cause No. 50-E entitled Roy A. Langley, as receiver of the State Bank of Tenino, Complainant, vs. A. R. Titlow, as receiver of the United States National Bank of Centralia, defendant, for the purposes of appeal, so that but one transcript and record may be used on said appeal, and one set of briefs, and the Court being familiar with the record herein, and the said causes having been consolidated for the purpose of trial in the above-entitled court at the time of the trial, and the Court being duly advised, now grants the said application, and it is ordered that the above-entitled cause be consolidated with the said Cause No. 50-E

for the purpose of appeal, and that but one transcript and record and one set of briefs may be required and used on the said appeal.

Dated July 27th, 1916.

EDWARD E. CUSHMAN,  
District Judge.

(Filed July 27, 1916.) [137]

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**Plaintiff's Exhibit No. 1—Articles of Incorporation  
of Olympia Bank & Trust Co.**

Article No. 36290. Certified Copy No. 9699.

UNITED STATES OF AMERICA.

THE STATE OF WASHINGTON.

DEPARTMENT OF STATE.

TO ALL TO WHOM THESE PRESENTS SHALL  
COME,

I, I. M. HOWELL, Secretary of State of the State of Washington and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of the

ARTICLES OF INCORPORATION  
of the

“OLYMPIA BANK & TRUST COMPANY,”  
with the original copy of said Company's Articles of Incorporation now on file in this office, and find the same to be a full, true and correct copy thereof, and of the whole of said original, together with all official endorsements thereon. And I further certify that the said original Articles appear to have been duly and regularly filed in this office, according to law, and that the same are of a genuine, valid, and



subsisting character, and that this certificate is in due form and by the proper officer having the legal custody of said original and the requisite official knowledge relative thereto.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed hereto the Seal of the State of Washington, Done at the Capital, at Olympia, this 8th day of Dec., A. D. 1914.

[Seal]

I. M. HOWELL,  
Secretary of State.

By J. GRANT HICKS,  
Assistant Secretary of State. [138]

Comp'd M G A, O. to J. M. C.  
No. 36290.

KNOW ALL MEN BY THESE PRESENTS, THAT WE, the undersigned, C. S. Reinhart, I. M. Howell, Chas. E. Hewitt, W. T. Cavanaugh, W. Dean Hays, C. Will Shaffer, H. T. Jones, all of Olympia, Washington, citizens of the United States, being desirous of forming a bank and trust company under the laws of the State of Washington, do hereby make, execute and acknowledge in quadruplicate, the following Articles of incorporation and certificate of organization, and do hereby certify as follows, to wit,

#### ARTICLE I.

The name assumed by this company and by which it shall be known is "Olympia Bank & Trust Company."

#### ARTICLE II.

The place where the business of this corporation is to be transacted and where its bank is to be located

and its business conducted, is Olympia, County of Thurston, State of Washington.

### ARTICLE III.

The nature of the business for which this corporation is formed shall be and is that of a trust company and commercial and savings bank to engage in and carry on a general trust and banking business in said City of Olympia, State of Washington, and to exercise all such powers and rights and privileges as shall be lawful, necessary or proper in carrying such business.

### ARTICLE IV.

The capital stock of this corporation shall be and is Fifty Thousand dollars (\$50,000), divided into Five Hundred (500) shares of the par value of One hundred dollars (\$100) each.

### ARTICLE V.

The period of existence of this corporation shall be and is fifty years (50).

IN WITNESS WHEREOF, We the said incorporators, have hereunto [139] set our hands and seals this 14 day of Aug., 1914.

C. S. REINHART.

I. M. HOWELL.

H. T. JONES.

CHAS. E. HEWITT.

W. T. CAVANAUGH.

W. DEAN HAYS.

C. WILL SHAFFER.

State of Washington,  
County of Thurston,—ss.

I, Harry L. Parr, a notary public in and for the State of Washington, residing at Olympia, duly commissioned, sworn, and qualified, do hereby certify that the aforementioned incorporators, who are personally known to me to be the identical persons signing the within instrument, appeared before me this day in person and acknowledged that they signed and sealed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Dated at Olympia, Washington, this 14 day of Aug., 1914.

HARRY L. PARR,  
Notary Public, Residing at Olympia, Washington.

[Harry L. Parr, Notary Public, State of Washington, Commission Expires Apr. 26, 1918.]

(Endorsement:)

State of Washington,—ss.

Filed for record in the office of the Secretary of State Aug. 19, 1914, at 3:56 o'clock P. M. Recorded in Book 104, page 201, Domestic Corporations.

I. M. HOWELL,  
Secretary of State.

(Filed Dec. 15, 1915.) [140]

**Plaintiff's Exhibit No. 2—Certificate of State  
Examiner re Olympia Bank and Trust Co.**

STATE OF WASHINGTON.

To all to whom these Presents shall come, GREET-  
ING:

The State Examiner of the State of Washington hereby certifies that Olympia Bank & Trust Company located at Olympia, County of Thurston, and State of Washington, has complied with all the provisions of an Act of the Legislature of the State of Washington, entitled "An Act to provide for the formation of banking corporations and to regulate the business of banking and securing State supervision thereof; for the appointment of a State Examiner, defining his duties, fixing his compensation and making an appropriation therefor; and prohibiting the use of the words "Bank," "Trust" and "Savings" in advertising business by persons, firms and associations not hereby brought under State supervision, and fixing a penalty for its violation."

NOW THEREFORE, in pursuance of law, I, W. E. HANSON, State Examiner of the State of Washington, do issue this Certificate of Authority to the above-named corporation to commence the business of banking as defined in said Act.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Olympia, this 20th day of August, A. D. 1914.

[Seal]

W. E. HANSON,  
State Examiner.



State of Washington,  
County of Thurston,—ss.

I hereby certify that this is a true and correct copy of charter issued to the Olympia Bank & Trust Company on August 20, 1914, by W. E. Hanson, State Bank Examiner.

R. LEE (?),  
Secretary.

(Filed Dec. 15, 1915.) [141]

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**Plaintiff's Exhibit No. 3—Proof of Claim of  
Receiver of State Bank of Tenino.**

DEBIT	Centralia (23)	
	R. to Seattle 6000	
	for Tenino	6000.

Sep. 12, 1914. 191—

(Filed Dec. 15, 1915.) [142]

**Plaintiff's Exhibit No. 4—Draft of United States National Bank.**

Olympia, Wash., \_\_\_\_\_.

M U. S. Natl. Bank—Centralia

In Account with **THE OLYMPIA BANK AND TRUST CO.**

Please examine and report promptly.

Dr.		Cr.
1914.		
Rem. to Seattle	√ 2000 √ √	Aug. 19 Coin 2500 √ √
" " Tacoma	√ 5000 √ √	25 Rem. Seattle 1000 √ √
" " Seattle	√ 3795 √ √	Sept. 3 Draft 1000 √ √
"	√ 160.38 √ √	5 Stock sold 1100 × 0
"	√ 255.95 √ √	" " 400 × 0
"	√ 358.10 √ √	8 " " 330 × 0
"	√ 12500. √ √	11 Draft 3000 √ √
"	√ 147.25 √ √	14 " 5000 √ √
"	√ 147. √ √	
	40000	
" to Seattle	√ 2000. √ √	Bal. 89169.26
Captl. & Und. Profits	× 55000. ? 0	
Rem.	√ 216.60 √ √	
"	√ 52. √ √	
Tel. Tfr to Tacoma	√ 2000. √ √	
Cost of Telegram	× .35 0 √	
Rem.	√ 56.50 √ √	
"	√ 94.65 √ √	
"	√ 338.30 √ √	
" to Tacoma	√ 4000. √ √	
"	√ 377.18 √ √	
" Seattle	√ 5000 √ √	
" Seattle for Tenino	× 6000. 0	
" " " " " "	× 2000. 0	
Coin " " " "	× 2000. 0	
	<u>103499.26</u>	<u>103499.26</u>
d Dec. 15, 1915).	89169.26	103499.26
	7000	48000
	<u>82169.26</u>	<u>55499.76</u>
		2500
		1000
		1000
		8
		<u>12500.</u>



**Plaintiff's Exhibit No. 6—Order of Superior Court  
in State of Washington vs. Olympia Bank and  
Trust Co. Granting Leave to Receiver to Sue,  
etc.**

*In the Superior Court of the State of Washington in  
and for the County of Thurston.*

STATE OF WASHINGTON, on the Relation of  
W. V. TANNER, as Attorney General,  
Plaintiff,

. vs.

OLYMPIA BANK & TRUST COMPANY, a Corpo-  
ration,  
Defendant.

The Court being duly advised, now gives the re-  
ceiver herein leave to sue C. A. Snowden, as receiver  
of the United States National Bank.

This order is granted herein upon the application  
of the receiver of the said Olympia Bank & Trust  
Company made this day and which is on file herein.

Dated this 18th day of Feby., 1915.

JOHN R. MITCHELL,  
Judge.

State of Washington,  
County of Thurston,—ss.

I, A. C. Baker, Dep. County Clerk of Thurston  
County and ex-officio Clerk of the Superior Court of  
the State of Washington, for Thurston County, hold-  
ing sessions at Olympia, do hereby certify that the  
foregoing is a true and correct copy of the original



Order in Cause No. 5628, State Ex rel. W. V. Tanner, vs. Olympia Bank & Trust Co., as the same appears on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court this 20th day of December, 1915.

(Seal) A. C. BAKER,  
Dep. County Clerk and Clerk of the Superior Court  
of Thurston County, State of Washington.

(Doc. Int. Rev. stamp cancelled.) [145]

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**Petition for an Order Allowing Appeal of C. Will  
Shaffer, etc.**

PETITION FOR APPEAL FILED THE 31st  
DAY OF JULY, 1916.

*In the District Court of the United States for the  
Western District of Washington, Southern Divi-  
sion.*

To the Honorable EDWARD E. CUSHMAN, Dis-  
trict Judge of the Above-entitled court :

The above-named intervenors, feeling themselves aggrieved by the decree made and entered in the cause on the 31st day of January, 1916, do hereby appeal and do join in the appeal of the complainant in the above-entitled cause from the said decree to the Court of Appeals for the Ninth Circuit, for the reasons specified in the assignment of errors, which is filed herewith, and they pray that their appeal be allowed and that citation issue, as provided by law, and that a transcript of the record, proceedings and papers upon

which said decree was based, duly authenticated may be sent to the United States Circuit Court of Appeals for the Ninth Circuit, sitting at San Francisco, California.

And your petitioners further pray that the proper order touching the security to be required of them to perfect this [146] appeal be made.

C. WILL SHAFFER,

C. S. REINHART, T.,

Intervenors.

The petition granted and the appeal allowed upon giving bond conditioned as required by law in the sum of \$500.

EDWARD E. CUSHMAN,

United States District Judge.

(Filed July 27, 1916.) [147]

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**Assignment of Errors of C. Will Shaffer.**

And now on this 31st day of July, 1916, comes the intervenors, by the intervenor C. Will Shaffer, and claim that the Decree entered in the above-entitled cause on the 31st day of January, 1916, is erroneous and unjust to Intervenors:

First. For refusal to grant the relief prayed for in the complainant's first cause of action, to wit, for a credit of \$36,550 in the United States National Bank of Centralia, Washington.

Second. For the refusal to grant the relief prayed for in complainant's second cause of action, to wit, for a credit of \$10,000 in the United States National Bank of Centralia, Washington.

Third. For cancelling and holding void a credit of \$48,000 in the United States National Bank of Centralia, Washington, in favor of the Olympia Bank & Trust Company.

Fourth. For returning to the complainant certain notes according to the demand of the complainant of intervention but refusing to establish a trust fund of moneys deposited [148] in the United States National Bank by the Olympia Bank & Trust Company as demanded by Intervenors' cause of action.

Fifth. That all of the claims on the part of the complainant and Intervenors to a preferred and prior claim against the assets in the hands of the defendant receiver were denied with prejudice, but should have been allowed.

Sixth. That the complainant was allowed a general claim against the defendant as receiver in the sum of \$25,998.91 and no more on the accounting herein, when the complainant should have been allowed the sum of \$83,998.91.

Seventh. For holding that the United States National Bank was not bound by the conduct of the managing officers and directors when such officers and directors connived with and demanded of the cashier of the Olympia Bank & Trust Company that he, the cashier of the Olympia Bank & Trust Company, use the funds of the Olympia Bank & Trust Company in the United States National Bank to cancel the private debt of the said cashier in the United States National Bank.

Eighth. That complainant and intervenors were not allowed their costs in said action.

C. WILL SHAFFER,

C. S. REINHART, T.,

Intervenors.

(Filed July 27, 1916.) [149]

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**Citation on Appeal of C. S. Reinhart et al.**

United States of America, to United States National Bank of Centralia, Corporation, and A. R. Titlow, as Receiver of United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain case in Equity in the United States District Court for the Western District of Washington, Southern Division, wherein Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, is complainant, and the United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, are defendants, an appeal has been allowed the Intervenors therein to the United States Circuit Court of Appeals, Ninth Circuit. You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation and show cause, if any there be, why the order and decree appealed from should not be corrected and speedy justice done the parties in that behalf.

WITNESS the Honorable Edward E. Cushman,  
Judge of the United States District Court of the

Western District of Washington, Southern Division,  
this 27th day of July, 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

Receipt of a true copy of the foregoing citation is  
hereby admitted this 31st day of July, 1916.

R. P. OLDHAM,  
R. C. GOODALE,  
Solicitors for Defendant.

Service of the foregoing Citation, and also the  
petition for appeal and assignments of error herein  
admitted this 27th day of July, 1916, and issuance  
of citation to complainant waived.

TROY & STURDEVANT,  
Attys. for Complainant.

(Filed Aug. 7, 1916.) [150]

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**Bond on Appeal of C. S. Reinhart et al.**

KNOW ALL MEN BY THESE PRESENTS:  
That we, C. S. Reinhart and C. Will Shaffer, as prin-  
cipals, and Fidelity and Deposit Company of Mary-  
land, as sureties, acknowledge ourselves to be  
jointly indebted to United States National Bank of  
Centralia, and A. R. Titlow, as receiver of said  
United States National Bank of Centralia, appellee  
in the above cause, in the sum of \$500, conditioned  
that, Whereas, on the 31 day of January, A. D. 1916,  
in the District Court of the United States for the  
Western District of Washington, Southern Division,  
in a suit pending in that court, wherein Frank P.  
McKinney, as receiver of the Olympia Bank & Trust  
Company was complainant, and A. R. Titlow, as re-



ceiver of the United States National Bank of Centralia, a corporation, substituted for C. A. Snowden, was defendant, and C. S. Reinhart and C. Will Shaffer, as stockholders of the Olympia Bank & Trust Company, for themselves and all other stockholders of said corporation, were intervenors, numbered on the Equity Docket as 32-E, a decree was rendered against the said intervenors, and the said intervenors having obtained an appeal to the United States Circuit Court [151] of Appeals for the Ninth Circuit, and filed a copy thereof in the office of the clerk of the court to reverse the said decree, and a citation directed to the said United States National Bank, of Centralia, and A. R. Titlow as receiver of the United States National Bank of Centralia, citing and admonishing them to be and appear at a session of the United States Circuit Court of Appeals for the Ninth Circuit, to be holden in the city of San Francisco, in the State of California, on the — day of —, A. D. 1916, next.

Now, if the said C. S. Reinhart and C. Will Shaffer, *as shall* prosecute their appeal to effect and answer all damages and costs if he fail to make his plea good, then the above obligation to be void, else to remain in full force and virtue.

C. S. REINHART,  
C. WILL SHAFFER,

Principals.

[Seal] FIDELITY AND DEPOSIT COMPANY  
OF MARYLAND.

By H. T. HANSEN,  
Attorney-in-Fact.

Approved this 3d day of August, 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

(Filed Aug. 3, 1915.) [152]

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**Affidavit of Service of Citation, etc.**

On this 4th day of August, 1916, personally appeared before the undersigned authority Nora W. Gardner, who being first duly sworn says: That she delivered a copy of the within citation to R. P. Oldham and R. C. Goodale, the solicitors for the defendant, on the 31st day of July, 1916.

NORA W. GARDNER.

Subscribed and sworn to before me this 4th day of August, 1916.

[Seal]

R. G. SHARPE,  
Notary Public in and for the State of Washington,  
Residing at Seattle.

(Filed Aug. 7, 1916.) [153]

**Intervenor's Exhibit No. 1—Order of Superior Court  
in State of Washington vs. Olympia Bank &  
Trust Co. Granting Permission to File Bill of  
Complaint in Intervention.**

*In the Superior Court of the State of Washington in  
and for the County of Thurston.*

No. 5628.

STATE OF WASHINGTON, on the Relation of  
W. V. TANNER, as Attorney-General,  
Plaintiff,

vs.

THE OLYMPIA BANK & TRUST COMPANY, a  
Corporation,  
Defendant.

This cause coming on to be heard on the motion of C. S. Reinhart and C. Will Shaffer for permission to intervene in that certain action heretofore brought in the District Court of the United States for the Western District of Washington, Southern Division, wherein Frank P. McKinney, as Receiver of the Olympia Bank & Trust Company, is complainant, and A. R. Titlow, as receiver of the United States National Bank of Centralia, is defendant, the relief sought by C. S. Reinhart and C. Will Shaffer being fully set out in the complaint, a copy of which is attached to said motion and said motion being based on said complaint and the records and files herein, it is hereby

ORDERED that said C. S. Reinhart and C. Will Shaffer be and they hereby are given permission to file said bill of complaint in intervention.

Done in open court this 15th day of May, 1915.

JOHN R. MITCHELL,

Judge.

State of Washington,

County of Thurston,—ss.

I, A. C. Baker, Dep. County Clerk of Thurston County and ex-officio clerk of the Superior Court of the State of Washington, for Thurston County, holding sessions at Olympia, do hereby certify that the foregoing is a true and correct copy of the original Order Cause No. 5628 [154] as the same appears on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said court this 13th day of December, 1915.

[Seal]

A. C. BAKER,

Dep. County Clerk and Clerk of the Superior Court  
of Thurston County, State of Washington.

(Doc. Int. Rev. Stamp Canceled.)

(Filed Dec. 15, 1915.) [155]

**Intervenor's Exhibit No. 2—Letter, August 27, 1914,  
Peterson to Olympia Bank & Trust Co.**

THE DEXTER HORTON NATIONAL BANK,  
of Seattle.

Capital, \$1,200,000. Surplus, \$240,000.

N. H. Latimer, President.

R. H. Denny, Vice-President.

W. H. Parsons, Vice-President.

M. W. Peterson, Cashier.

L. H. Merritt, C. E. Burnside, J. C. Norman,  
Assistant Cashiers.

R. H. MacMichael, Bond Manager.

Seattle, Washington, August 27, 1914.

Olympia Bank & Trust Co.,  
Olympia, Wash.

Gentlemen:—

The United States National Bank of Centralia,  
Washington, have sent to us their draft for \$1,000.00  
with instructions to place same to your credit.

Kindly advise us if it is your wish that we should  
credit your account on our books with this sum or  
make some other disposition of it.

Yours truly,

C. M. W. PETERSON,  
Cashier.

Checked. F. P. M.

(Filed Dec. 15, 1915.) [156]



**Intervenor's Exhibit No. 3—Affidavit of J. W.  
Daubney.**

Subject: Organization of Bank.

Centralia, Wash., Aug. 19, 1914.

Mr. J. L. Mahundro,  
State Examiner,  
Olympia, Wash.

State of Washington,  
County of Thurston,—ss.

I, J. W. Daubney, being first duly sworn, on oath depose and say that the Olympia Bank & Trust Co. Bank has on deposit with the United States National Centralia, Wash., Bank \$50000.00/100 subject to the order of the said Olympia Bank and Trust Co. Bank; that said money is deposited preliminary to the organization of the aforesaid bank; that said deposit is unconditional and is subject to check only in the usual course of banking business.

J. W. DAUBNEY,  
Cashier.

Subscribed and sworn to before me this 19th day  
of August, 1914.

[Seal]

J. H. BROWN,  
Notary Public.

States' Indent. 6.  
State's Ex. 6.

(Filed Dec. 15, 1916.) [157]

**Intervenor's Exhibit No. 4—Draft Dated Centralia,  
Wash., 9/15/14.**

Centralia, Wash., 9/15, 1914, No. —.

On Demand — pay to the order of

U. S.

National THE UNITED STATES NATIONAL  
Bank. BANK 98-43,

Of Centralia, Washington.

Twelve thousand five hundred# Dollars \$12500.00

Value received and charge the same to account of

OLYMPIA BANK & TRUST CO.

By W. DEAN HAYS,

Cashier.

To United States N/ Bank,  
Centralia, Wash.

To cover charge of 8/31-1914.

State's Ex. 12.

(Filed Dec. 15, 1915.) [158]

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**Intervenor's Exhibit No. 5—Customer's Draft Dated  
Olympia, Wash., Sept. 14, 1914.**

CUSTOMER'S DRAFT.

OLYMPIA BAN & TRUST COMPANY 98-51.

Olympia, Wash., Sept. 14, 1914. \$1000.00

PAY TO THE ORDER OF OLYMPIA BANK  
AND TRUST COMPANY One thousand dollars,  
DOLLARS, with exchange.

Value Received and charge the same to account of

OLYMPIA BANK & TRUST CO.

W. T. CAVANAUGH,

Asst. Cashier.

To U. S. National Bank,  
98-43 Centralia, Wash.

(Stamped): The United States National Bank,  
Centralia, Wash., Paid Sep. 17, 1914.

(Endorsed):

Pay to the Order of  
Any Bank, Banker or Trust Co.

SEP. 17, 1914.

FARMERS & MERCHANTS BANK

98-46 of Centralia. 98-46

C. PAUL UHLMANN, Cashier.

Pay to the Order of  
ANY BANK, BANKER OR TRUST CO.

All prior endorsement guaranteed.

SEP. 15, 1914.

FIRST NATIONAL BANK.

24-4 Portland, Oregon. 24-4

A. Wyld, Cashier.

PAY ANY BANK OR BANKER.

Previous endorsements guaranteed.

SEP. 16, 1914.

THE NATIONAL BANK OF COMMERCE.

19-3 of Seattle, Wash. 19-3.

Mail.

Mail.

PAY TO THE ORDER OF  
ANY BANK, BANKER OR TRUST CO.

All prior endorsements guaranteed.

OLYMPIA BANK & TRUST CO.

Olympia, Washington. [159]

**Intervenor's Exhibit No. 6—Customer's Draft Dated  
Olympia, Wash., Sept. 3, 1914.**

**CUSTOMER'S DRAFT.**

**OLYMPIA BANK & TRUST COMPANY 98-51.**

Olympia, Wash., Sept. 3d, 1914. \$1000.00.

**PAY TO THE ORDER OF PUGET SOUND  
STATE BANK, One thousand dollars DOLLARS,  
with exchange.**

Value Received and charge the same to account of  
**W. T. CAVANAUGH,**  
Asst. Cashier.

To United States National Bank, Centralia, Wash.

(Stamped): The United States National Bank,  
Centralia, Wash. PAID SEP. 5, 1914.

(Endorsed):

**PAY TO THE ORDER OF  
THE NATIONAL BANK OF TACOMA.**

34-1 Tacoma, Wash. 34-1.

SEP. 4, 1914.

**PUGET SOUND STATE BANK.**

34-7 Tacoma, Wash. 34-7

J. W. Burgan, Cashier.

**PAY TO YOURSELVES  
or order.**

SEP. 5-1914.

**FIELD & LEASE, Bankers.**

\* \* Lease, Cashier.

**PAY TO THE ORDER OF  
Any Bank, Banker or Trust Co.  
Previous endorsements guaranteed.**

Cage Sep. 4, 1914—\* \*

THE NATIONAL BANK OF TACOMA.

34-1 Tacoma, Wash.

Stephen Appleby, Cashier.

A consolidation of National Bank of Commerce  
Pacific National Bank.

PAY TO THE ORDER OF  
ANY BANK, BANKER OR TRUST CO.

All prior endorsements guaranteed.

OLYMPIA BANK & TRUST CO.

Olympia, Washington. [160]

**Intervenor's Exhibit No. 7.**

O. B. & T. Co.

No. 1012.

PAY TO THE ORDER OF  
FIRST NATIONAL BANK, SEATTLE \$2000.00  
Two Thousand dollars DOLLARS.

Washington.

OLYMPIA BANK & TRUST COMPANY, 98-51.

P

R                      Olympia, Wash., Sept. 15, 1914.  
To Dexter Horton National Bank,  
19-4, Seattle, Wash.    W. T. CAVANAUGH,  
Asst. Cashier.

(Perforated:) PAID 9: 15-14.

(Endorsed:)

RECEIVED PAYMENT  
Through Seattle Clearing House.  
Sep. 15, 1914.

NO.                      2.

FIRST NATIONAL BANK.

\* \* \* [161]



**Defendant's Exhibit "A"—Memorandum Check.**

**MEMORANDUM CHECK.**

**DEXTER HORTON NATIONAL BANK.**

Seattle, Sep. 12, 1914. 191—

PAY 1st. Nat. Bk., Seattle 6000 for Cr. State Bank  
of Tenino. (C D), per Phone to J. C. N.

**CHARGE—OLYMPIA BANK & TRUST CO.**

\$6000.00 Olympia

(Perforated): PAID 9: 12: 14.

(Filed Dec. 15, 1915.) [162]

---

**Defendant's Exhibit "B"—Letter Dated September  
12, 1914, from C. E. Burnside to Olympia Bank  
& Trust Co.**

**THE DEXTER HORTON NATIONAL BANK.**  
of Seattle.

Capital, \$1,200,000. Surplus, \$240,000.

N. H. LATIMER, President.

R. H. DENNY, Vice-President,

W. H. PARSONS, Vice-President.

M. W. Peterson, Cashier.

L. H. Merritt, C. E. Burnside, J. C. Norman,  
Assistant Cashiers.

R. H. MacMichael, Bond Manager.

Seattle, Washington, September 12, 1914.

Olympia Bank & Trust Co.

Olympia, Wash.

Gentlemen:—

As requested by you over the telephone to-day to  
our Mr. Norman, we have charged your account

\$6,000.00, paying like amount to the First National Bank of Seattle for credit of the State Bank of Tenino, Washington, and enclose their receipt herewith.

Yours truly,

C. E. BURNSIDE,

Asst. Cashier.

C.

(Filed Dec. 15, 1915.) [163]

---

**Defendant's Exhibit "C"—Note Dated Olympia, Wash., August 15, 1914, Signed by C. Will Shaffer.**

612

\$1100.00

Olympia, Washington, Aug. 15, 1914.

Ninety days after date, without grace, I promise to pay to the order of MYSELF

Eleven Hundred Dollars.

in Gold Coin of the United States of America, of the present standard value, with interest thereon, in like Gold Coin, at the rate of seven per cent per annum from date until paid, for value received. Interest to be paid semi-annually, and if not so paid, the whole sum of both principal and interest to become immediately due and collectible, at the option of the holder of this Note. And in case suit or action is instituted to collect this Note or any portion thereof . . . . . promise and agree to pay, in addition to the costs and disbursements provided by

statute, a reasonable attorney's fees in said suit or action.

C. WILL SHAFFER.

Due ..... 191.

At Olympia, Washington.

No. ....

(Endorsed:) C. Will Shaffer.

(Filed Dec. 17, 1915.)

(Filed Dec. 21, 1915.) [164]

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**Defendant's Exhibit "D"—Letter Dated Tenino,  
Wash., July 24, 1913, from W. Dean Hays to  
C. S. Gilchrist.**

State

Bank of Tenino,

Wash.

STATE BANK OF TENINO.

Isaac Blumauer, President.

T. F. Mentzer, Vice-President.

W. Dean Hays, Vice-Pres. and Cashier.

A. D. Campbell, Assistant Cashier.

Tenino, Wash. July 24, 1913.

Mr. C. S. Gilchrist, Vice-President,

U. S. National Bank,

Centralia, Wash.,

My dear Charlie:

I have been *using* every available resource to reduce my note from two to one thousand dollars ever since receiving your letter of the 30th ult., but it seems impossible to do so at the present time. I have hopes of retiring it entirely soon, but it is impossible to do so just now.

What I would like to do is this: Give you my note for \$5,000 collateraled with \$5,100 stock in this bank, you to place \$3,000 thereof as a "special deposit" to the State Bank of Tenino, against which we would not draw, and permit the remaining \$2,000 to retire the present note. This stock is ample security, as I have been offered \$2.10 per share for it; only last week I was offered \$150. I am very anxious to do anything to

(SECOND PAGE)

United States National Bank. (2)  
secure you, and if this is satisfactory I will send you down a new note with collateral as outlined.

I am expecting some funds soon; in fact, have been expecting it for some time, but am disappointed, but have the satisfaction that it will only be a question of time until it is forthcoming, when I will [165] take up this obligation.

Hoping this will be satisfactory, I am

Very truly yours,

W. DEAN HAYS.

(Filed Dec. 17, 1915.) [166]

---

**Defendant's Exhibit "E"—Note Dated Olympia, Wash., August 15, 1914, Signed by C. S. Reinhart.**

607.

14714.

\$1650. Olympia, Washington, Aug. 15, 1914.

Ninety days after date, without grace, I promise to pay to the order of MYSELF

Sixteen Hundred and Fifty & 00/100 Dollars in Gold Coin of the United States of America, of

the present standard value, with interest thereon, in like Gold Coin, at the rate of 6 per cent per annum from date until paid, for value received, Interest to be paid semi-annually, and if not so paid, the whole sum of both principal and interest to become immediately due and collectible, at the option of the holder of this Note. And in case suit or action is instituted to collect this Note, or any portion thereof, I promise and agree to pay, in addition to the costs and disbursements provided by statute, a reasonable attorney's fees in said suit or action.

C. S. REINHART.

Due 11/13, 1914.

At Olympia, Washington.

No. ....

(Endorsed:) C. S. Reinhart.

(Filed Dec. 21, 1915.) [167]

---

**Defendant's Exhibit "F"—Note Dated Olympia, Wash., August 17, 1914, Signed by Chas. E. Hewitt.**

564. 14711.

\$1100.00 Olympia, Washington, Aug. 17, 1914.

90 days after date, without grace, I promise to pay to the order of MYSELF

Eleven Hundred no /100 Dollars

in Gold Coin of the United States of America, of the present standard value, with interest thereon, in like Gold Coin, at the rate of 6 per cent per annum from date until paid, for value received, Interest to be paid semi-annually, and if not so paid, the whole sum of both principal and interest to become



immediately due and collectible, at the option of the holder of this Note. And in case suit or action is instituted to collect this Note, or any portion thereof, I promise and agree to pay, in addition to the costs and disbursements provided by statute, a reasonable attorney's fees in said suit or action.

CHAS. E. HEWITT.

Due 11/15, 1914.

At Olympia, Washington.

No. . . . .

(Endorsed:) Chas. E. Hewitt. [168]

---

**Bill of Complaint of Roy A. Langley, as Receiver,  
etc.**

IN EQUITY—No. 50--E.

ROY A. LANGLEY, as Receiver of the State Bank  
of Tenino, a Corporation,

Complainant,

vs.

UNITED STATES NATIONAL BANK OF CENTRALIA, a Corporation, and A. R. TITLOW,  
as Receiver of United States National Bank  
of Centralia,

Defendants.

To the Honorable Judges of the District Court of  
the United States for the Western District of  
Washington:

Roy A. Langley, as receiver of the State Bank of  
Tenino, a corporation, brings this Bill of Complaint  
against the United States National Bank of Centra-  
lia, a corporation of Centralia, Washington and A.

R. Titlow, as receiver of the United States National Bank of Centralia.

Your orator complains and says:

I.

That the State Bank of Tenino is and was a corporation organized and existing under and by virtue of the laws of the State of Washington and that prior to the 21st day of September, 1914, was engaged in the banking business with its principal place of business and banking house in the Town of Tenino in Thurston County, in said District; that on said date it closed its doors and ceased doing business as a bank by reason of its insolvency and that thereafter said Roy A. Langley was duly appointed by the Superior Court of the State of Washington, in and for the County of Thurston, receiver of said Bank of Tenino, said [169] Superior Court having jurisdiction in the premises and that thereafter said Langley duly qualified as such receiver and now is and ever since has been the duly appointed, qualified and acting receiver of said State Bank of Tenino.

II.

That heretofore and on the —— day of September, 1915, said plaintiff duly filed in that certain cause pending in said Superior Court of the State of Washington in and for the County of Thurston wherein he was appointed said receiver, a petition to said Court for leave to bring this action which said cause is entitled: State of Washington on the relation of W. V. Tanner, as Attorney General, Plaintiff, vs. State Bank of Tenino, a corporation, defendant," the same being Cause Number 5630 in that

court and that such proceedings were duly had in said cause that thereafter and on the — day of September, 1915, said Court duly made and entered its order granting leave to said plaintiff to bring this action.

### III.

That the United States National Bank of Centralia, Washington, prior to the 21st day of September, 1914, was a banking corporation duly organized and existing under and pursuant to the Laws of Congress of the United States of America and was engaged in the business of banking with its principal place of business and banking house in the City of Centralia and County of Lewis in said district and that on said date it closed its doors and ceased doing a banking business by reason of insolvency; that thereafter said A. R. Titlow was duly appointed receiver of the United States National Bank of Centralia by the Comptroller of the Currency and now is and ever since has been said receiver, and that Complainant has duly obtained leave of the District Court of the United States for the Western District of Washington, Southern Division, to bring this suit. [169½]

### IV.

That long prior to the 21st day of September, 1914, said State Bank of Tenino and said United States National Bank of Centralia were doing business with each other and had mutual accounts and deposits one with the other and were so doing business up to the time of the closing of their said doors.

V.

That on said 21st day of September, 1914, the books of said State Bank of Tenino showed a balance in favor of said State Bank of Tenino and against said United States National Bank of Centralia in the sum of \$9,571.36 and that shortly after the appointment of this plaintiff, as receiver, as aforesaid, he caused to be filed with the Receiver of said United States National Bank of Centralia a verified claim on behalf of said State Bank of Tenino against said United States National Bank in said sum.

VI.

That since the filing of said claim complainant has made a careful examination of the books and accounts of both banks and that there is now due and owing from said United States National Bank of Centralia to said State Bank of Tenino the sum of \$4,953.08 so far as complainant can determine from the investigation and information that plaintiff has been able to obtain.

VII.

That heretofore dividends have been declared by said Titlow, as receiver, as aforesaid, to the creditors of said United States National Bank of Centralia in the sum of 20% and complainant is informed and believes, and therefore alleges the fact to be that other, further and additional dividends will be declared to the creditors of said United States National Bank of Centralia.

VIII.

That said defendant A. R. Titlow as receiver, as aforesaid, refused and neglected to allow said claim,

or any part [170] thereof, and/or to pay plaintiff said dividends, or any part thereof, though often requested so to do by plaintiff.

WHEREFORE, by reason of the law and the premises complainant prays:

1. For an accounting on behalf of said defendant.
2. That after the amount shall have been determined by such accounting due complainant by defendant, for a judgment allowing complainant's claim in the amount so determined.
3. For an order directing said Titlow, as receiver, as aforesaid, to pay complainant the amount of any and all dividends so declared.
4. For such other and further relief as to the Court shall seem equitable and just.
5. For complainant's costs and disbursements herein.

May it please your Honors to grant unto this complainant a Writ of Subpoena directed to said United States National Bank of Centralia and to A. R. Titlow as Receiver of the United States National Bank of Centralia commanding them at a time and under a certain penalty to appear before this Honorable Court and then and there full, true, direct and perfect answers make, but not under oath (which is hereby expressly waived) to all and singular the premises, and further to stand and perform and abide such further Order, direction and decree herein



as to this Court may seem just.

ROY A. LANGLEY,

Complainant.

FRANK C. OWINGS,

Solicitor for Complainant.

Office and P. O. Address:

Suite 8, Funk-Volland Building, Olympia, Wash-  
ington.

(Verified.)

(Filed Dec. 6, 1915.) [171]

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**Answer.**

The defendants, for their answer to the bill of complaint herein say:

I.

Answering paragraph V of said bill of complaint;

Defendants deny any knowledge or information sufficient to form a belief as to whether the books of the State Bank of Tenino showed a balance in favor of the State Bank of Tenino and against the United States National Bank of Centralia in the sum of \$9,571.36, as alleged by plaintiff, or in any other sum.

Defendants admit that plaintiff filed a claim with the defendant receiver, but deny that such claim was filed in the sum alleged, and allege that in fact such claim was filed in the sum of \$9,443.08. [172]

II.

Answering paragraph VI of said bill of complaint,

defendants deny each and every allegation therein contained.

OLDHAM & GOODALE,  
Attorneys for Defendants.

(Verified.)

(Filed Dec. 16, 1915.) [173]

**Decree.**

This cause came on for hearing on the 14th day of December, 1915, and proceeded from day to day with sundry adjournments until the 31st day of December, 1915, and was argued by counsel, and thereupon, upon consideration thereof, it was and is now hereby

ORDERED, ADJUDGED and DECREED as flows, viz.:

1. That the claim of complainant on account of certain drafts of the State Bank of Tenino upon United States National Bank, aggregating the sum of \$2,500, be and the same is hereby denied with prejudice.

2. That the claim of complainant against defendant on account of the certain note of W. Dean Hays, in the sum of \$5,000, heretofore charged to the State Bank of Tenino by the United States National Bank of Centralia, be and the same is hereby denied with prejudice, and said note is held and adjudged to be a good, valid and proper charge on the part of the United States National Bank of Centralia against the State Bank of Tenino and its receiver.

3. That upon accounting had between the parties, [174] complainant be allowed a general claim against defendant as receiver in the sum of \$5511.13, and no more.

4. It is ordered that each party bear its own costs.

Done in open court at the July term of this court, this 3d day of January, 1916, at 10 o'clock in the forenoon.

EDWARD E. CUSHMAN,

U. S. District Judge.

(Filed Jan. 3, 1916.) [175]

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**Petition for an Order Allowing Appeal of Roy A. Langley, etc.**

PETITION FOR APPEAL FILED THE 27TH DAY OF JUNE, 1916, IN THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF WASHINGTON, SOUTHERN DIVISION.

To the Honorable EDWARD E. CUSHMAN, District Judge of the Above-entitled Court:

The above-named plaintiff, feeling himself aggrieved by the decree made and entered in this cause on the 3d day of January, 1916, at 10:00 o'clock in the forenoon, does hereby appeal from said decree to the Court of Appeals for the Ninth Circuit for the reasons specified in the Assignment of Errors, which is filed herewith and he prays that his appeal be allowed and that citation issue, as provided by law, and that a transcript of the record, proceedings and papers upon which said decree was based, duly authenticated, may be sent to the United States Circuit Court of Appeals for the Ninth Circuit sitting at San Francisco, State of California. [176]

And your petitioner further prays that the proper

order touching the security to be required by him to perfect his appeal be made.

FRANK C. OWINGS,  
Solicitor for Complainant.

The petition granted and the appeal allowed upon giving bond conditioned as required by law in the sum of five hundred and no/100 dollars.

EDWARD E. CUSHMAN,  
United States District Judge.

(Filed June 27, 1916.) [177]

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**Assignment of Errors of Roy A. Langley, etc.**

And now on this the 27th day of June A. D. 1916 came the complainant by his solicitor, Frank C. Owings, and says: That the decree entered in the above cause on the 9th day of January A. D. 1916, is erroneous and unjust to defendant.

First. That the claim of complainant on account of certain drafts of the State Bank of Tenino upon United States National Bank, aggregating \$2,500, was not allowed this plaintiff in said decree.

Second. That the claim of complainant against defendant on account of that certain note of W. Dean Hays, in the sum of \$5,000, was not allowed complainant as a claim against defendants.

Third. That complainant was allowed a general claim against defendant in the sum of \$5,511.13 and no more, on the accounting herein when *complaint* should have been allowed the sum of \$13,011.13.

WHEREFORE, the complainant prays that the said decree [178] be reversed and the District Court directed to enter a judgment as prayed for in

complainant's Bill of Complaint in the full sum of \$13,011.13.

FRANK C. OWINGS,  
Solicitor for Complainant.

(Filed June 27, 1916.) [179]

**Bond of Appeal of Roy A. Langley.**

KNOW ALL MEN BY THESE PRESENTS, That we, Roy A. Langley, as principal, and American Surety Company of New York, a corporation organized and existing under and by virtue of the laws of New York, as surety, acknowledge ourselves to be jointly indebted to United States National Bank of Centralia, a corporation and A. R. Titlow, as Receiver of the United States National Bank of Centralia, defendants in the above cause, in the sum of \$500, conditioned that, WHEREAS, on the 9th day of January A. D. 1916, in the District Court of the United States for the Western District of Washington, Southern Division, in a suit pending in that court wherein Roy A. Langley, as receiver of the State Bank of Tenino, a corporation, was plaintiff and United States National Bank of Centralia, a corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia was defendant, numbered on the Equity Docket as 50-E, a decree was rendered against the said Roy A. Langley, as Receiver of the State Bank of [180] Tenino, a corporation, and the said Roy A. Langley, as receiver of the State Bank of Tenino, a corporation, having obtained an appeal to the United States Circuit Court of Appeals, Ninth Circuit, and filed a copy thereof in the office of the Clerk of the court



to reverse the said decree and a citation directed to the said United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, citing and admonishing them to be and appear at a session of the United States Circuit Court of Appeals for the Ninth Circuit to be holden in the City of San Francisco, in the State of California, on the 27th day of August, A. D., 1916 next.

Now, if the said Roy A. Langley, as receiver of the State Bank of Tenino, a corporation, shall prosecute his appeal to effect and answer all costs, if he failed to make his plea good, then the above obligation to be void else to remain in full force and virtue.

[Seal]

R. A. LANGLEY,

As Receiver of the State Bank of Tenino, a Corporation, Principal.

AMERICAN SURETY COMPANY OF  
NEW YORK.

By J. H. BROWN,

Its Resident Vice-President.

Attest: THOS. L. O'LEARY,

Its Resident Assistant Secretary.

Approved this 27th day of June, 1916.

EDWARD E. CUSHMAN,

United States District Judge.

(Filed June 27, 1916.) [181]

**Citation on Appeal of Roy A. Langley.**

United States of America to United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain case in equity in the United States District Court for the Western District of Washington, Southern Division, wherein Roy A. Langley; as receiver of the State Bank of Tenino is complainant, and United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of United States National Bank of Centralia, are defendants, an appeal has been allowed the complainant therein to the United States Circuit Court of Appeals, Ninth Circuit. You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation to show cause, if any there be, why the order and decree appealed from should not be corrected and speedy justice done the parties in that behalf.

WITNESS the Honorable Edward E. Cushman, Judge of the United States District Court, Western District of Washington, Southern Division, this 27th day of June, A. D., 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

Receipt of a copy of the above citation by receipt

of copy is hereby admitted at Seattle, Washington, this 27th day of June, 1916.

R. P. OLDHAM,

R. C. GOODALE,

Solicitors for Defendants.

(Filed June 28, 1916.) [182]

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**Notice of Application for Consolidation of Causes,  
etc.**

To the Above-named Defendant, and to His Attorneys R. P. Oldham and R. C. Goodale:

You are hereby notified that the undersigned solicitor for the complainant, will present the application for consolidation, and for enlargement of time, to the Court at the incoming of court on July 27th, 1916.

FRANK C. OWINGS,

Solicitor for Complainant.

Service of the foregoing notice admitted this 22d day of July, 1916, prior to the hearing of the said application and motion.

R. P. OLDHAM,

R. C. GOODALE,

Solicitors for Defendant.

(Filed July 27, 1916.) [183]

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**Application for Consolidation of Causes, etc.**

Comes now the complainant by his solicitor, Frank C. Owings, and applies to the Court for the consolidation of the above-entitled cause with that

certain cause pending in the above-entitled court wherein Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, is complainant, and A. R. Titlow, as receiver of the United States National Bank of Centralia is Defendant, and C. S. Reinhart and C. Will Shaffer, stockholders of the Olympia Bank & Trust Company, for themselves and all other stockholders of said Company were intervenors, the same being cause No. 32, in Equity in the above-entitled court, so that but one transcript and one record may be used on the said appeal, and one set of briefs.

This application is based upon the records and files herein.

FRANK C. OWINGS,  
Solicitor for Complainant.

We consent to the foregoing consolidation.

P. M. TROY,  
R. F. STURDEVANT,

Solicitors for Complainant Frank P. McKinney in  
Cause No. 32.

THOS. O'LEARY,

Solicitors for Intervenors in Cause No. 32.

(Filed July 27, 1916.) [184]

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### **Application.**

Comes now the complainant and applies to the Court for an enlargement of the time for filing transcript on appeal in the above-entitled cause, and an extension of the said time to September 20th, 1916.

This application is based upon the records and

files herein and the affidavit of Frank C. Owings, solicitor for the complainant, annexed hereto.

FRANK C. OWINGS,  
Solicitor for Complainant.

(Filed July 27, 1916.) [185]

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**Affidavit of Frank C. Owings.**

State of Washington,  
County of Thurston,—ss.

Frank C. Owings, being first duly sworn deposes and says: That he is solicitor for the complainant herein; that the stenographer has just completed transcribing the testimony herein; that the same amounted to over six hundred pages, to wit, six hundred twenty-one pages; that the said transcript of testimony has just been delivered to solicitor for complainant herein; that solicitor for complainant has had no opportunity nor time to reduce and condense the testimony herein in compliance with Equity Rule No. 75, and that your solicitor has had no opportunity or time to reduce and prepare the record in compliance with the said rule; that it is necessary that he have until September 20th, 1916, for the purpose of preparing the transcript herein.

Furthermore affiant saith naught.

FRANK C. OWINGS,

Subscribed and sworn to before me this 26th day of July, 1916.

JO ROWE, (Seal)

Notary Public in and for the State of Washington,  
Residing at Olympia.

(Filed July 27, 1916.) [186]



**Order Consolidating Causes, etc.**

This matter coming on to be heard on the application of the complaint for consolidation of the above-entitled cause with Cause No. 32, entitled Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, complainant, vs. A. R. Titlow, as receiver of the United States National Bank, of Centralia, defendant, and C. S. Reinhart and C. Will Shaffer, stockholders of the Olympia Bank & Trust Company, a corporation, for themselves and all other stockholders of said company, intervenors, for the purpose of appeal, so that but one transcript and record may be used on the said appeal, and one set of briefs, and the Court being familiar with the record herein, and the said causes having been consolidated for the purpose of trial, in the above-entitled court, at the time of the trial, and the Court being duly advised, now grants the said application, and it is Ordered that the above-entitled cause be consolidated with the said Cause No. 32 for the purpose of appeal, and that but one transcript and record and one set of briefs may be required and used on the said appeal.

Dated July 27th, 1916.

EDWARD E. CUSHMAN,  
District Judge.

(Filed July 27, 1916.) [187]

**Order Extending Time to File Record to September  
20, 1916.**

This matter coming on to be heard on the application to enlarge the time to file the transcript herein, and it appearing to the Court that there is good cause for enlargement of time, the Court now hereby extends and enlarges the time to file the transcript herein to and including September 20th, 1916.

Dated July 27th, 1916.

EDWARD E. CUSHMAN,  
District Judge.

(Filed July 27, 1916.) [188]

**Plaintiff's Exhibit No. 1**

In Account with State Bank of Tenino.

List of Floating Drafts.

**RECONCILEMENT OF ACCOUNT From Jan. 1, 1914 to Sept. 19, 1914.**

Date.	Items.	Amount.	Date.	Items.	Amount.
	Your Balance to our Credit Our Balance, to your credit,	√3,580.21		Your Balance, to your Debit,	
	We Debit (not in your account)			Your balance to our Debit,	9,571.36
Jan. 23	Ent. for Coll.	434.60 V		We Credit (not in your account Coll #5088	203.40 V
	" " "	867.20 V			731.20 V Bal
	" " "	5.25 V			
Feb. 2	" " "	10.00			
Mch. 5	Dft.	1,000.00 V V			
July 15		5,000.			
May 23	Dft.	500.00 V			
25	"	500.00 V			
July 31	Exchange	.30			
June 30	Dft.	500.00 V			
July 13	Retd.	10.00			
13	"	10.00			
		<u>8837.35</u>			

You Debit (not on our books),		You credit (not on our books)	
Sept. 18	Rem	216.98	July 14 Ck Retd
19	Ret. We credit	5.00 V	Sept. 14 Wire
19	" & Protest We credit	15.70 V	19 Dft.
19	Rem.	3,036.94	
Sept. 19	You debit Rem	107.58 V	We credit
	Proof,	15,799.76	Drafts afloat,

Proof, 15,799.76



**Plaintiff's Exhibit No. 2.**

Number

Tacoma, Washington, April 4, 1914.

12161

On demand after date we jointly and severally promise to pay to the order of Due.....  
\$5,000.00

UNITED STATES NATIONAL BANK,  
CENTRALIA, WASH.,

Five Thousand no/100 .....Dollars  
Payable and Negotiable at the State  
Bank of Tenino, Tenino, Washing-  
ton

for value received, with interest after date at the rate of .... per cent per annum until paid, interest payable quarterly Principal and interest payable only in U. S. Gold Coin of the present standard of weight and fineness. For value received, each and every party signing or endorsing this note hereby waives presentment, demand, protest, and notice of non-payment thereof, binds himself thereon as a principal, not as surety, and promises in case suit is instituted to collect the same or any portion thereof, to pay such additional sums



as the court may adjudge reasonable as  
attorney fees in such suit

W. DEAN HAYS.

(Filed Dec. 22, 1915.)

(Stamped): PAID

President's Office

Jul 15 1914

United States Nat. Bank

Centralia, Wash.

(Filed Dec. 22, 1915.) [191]

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**Plaintiff's Exhibit No. 3—Proof of Claim.**

**THE UNITED STATES NATIONAL BANK.**

Centralia, Washington.

**PROOF OF CLAIM.**

State of Washington,  
County of Thurston,—ss.

Personally appeared before me, the undersigned, a Notary Public in and for said county and State Roy A. Langley (Receiver of the State Bank of Tenino), Tenino, Wash., who being sworn on oath says, That The United States National Bank of Centralia, Wash., is justly indebted to them in the sum of — Dollars and — cents, upon the following claim, to wit:

Dollars    Cents

Balance due on open account subject to check.....	9,571	36
Certificate of Deposit No. — issued by the — less checks returned.....	128	28

Interest on Certificate of Deposit issued  
by \_\_\_\_\_  
Savings Account. . . . .  
Unpaid draft No. — issued by \_\_\_\_\_..  
Protest Fees on Draft No. — issued  
by \_\_\_\_\_

9,443,08

All of which is due and payable to them alone they  
having given no endorsements or assignments of the  
same or any part thereof, and; they further say that  
they know of no set-off or other legitimate or equi-  
table defence to said claim, or any part thereof.

Name—STATE BANK OF TENINO,  
TENINO, WASH.,

By ROY A. LANGLEY,  
Its Receiver.

Residence: Olympia, Washington.

Subscribed and sworn to before me this 1 day of  
Feb. A. D. 1915.

(Seal) E. S. ENRIGHT,

To be sworn to before a Notary Public.

(Filed Dec. 22, 1915.) [192]

**Plaintiff's Exhibit No. 4—Letter Dated May 15,  
1914, State Bank of Tenino to C. S. Gilchrist.**

May 15, 1914.

Mr. C. S. Gilchrist, V. Pres.,  
U. S. Nat'l. Bank,  
Centralia, Wash.

Dear Sir:—We are herewith returning checks of  
Blaumauer Lmbr. Co., contained in your letter of

the 20th ult., it being utterly impossible for us to carry them.

As yet we have not given you credit for the drafts for \$1,000.00 and \$500.00 sent to the Merchants' National Bank in Portland on account of the Blumauer Lmbr. Co., Mr. Blaumauer phoning from Centralia in each case that you instructed us to draw on you for the amounts.

We are carrying this company for all that is possible for us to do at this time, and would like a suggestion from you concerning the same.

H/L Enc.—Reg.

Very truly yours,  
STATE BANK OF TENINO,  
V. President.

(Filed Dec. 22, 1915.) [193]

**Plaintiff's Exhibit No. 5—Letter Dated Centralia,  
Wash., July 15, 1914, From C. S. Gilchrist to  
State Bank of Tenino.**

No. 8736.

THE UNITED STATES NATIONAL BANK.

Capital Stock—\$100,000.00.

Chas. Gilchrist, Pres.

C. S. Gilchrist, V. Pres.

Geo. Dysart, V. Pres.

J. W. Daubney, Cashier.

Ross W. Daubney, Asst. Cashier.

H. F. Gilchrist, Asst. Cashier.

Centralia, Wash.

July fifteenth,

Nineteen Fourteen.

State Bank of Tenino,

Tenino, Wash.

Gentlemen:—

We to-day credit your account \$7600.00, being the various notes received in your favor of the 10th, inst. We also charge your account and return herewith note of your Mr. W. Dean Hayes for \$5000.00, and interest \$113.33, making a total charge of \$5113.33.

Enc.

Very truly yours,

CSG/MMH

C. S. GILCHRIST,

Vice-President.

H. [194]

*United States District Court for the Western District of Washington.*

No. 32—E.

FRANK P. MCKINNEY, as Receiver, etc.,  
vs.

A. R. TITLOW, as Receiver, etc.

**Praeceptum for Transcript of Record.**

To the Clerk of the Above-entitled Court:

You will please certify and incorporate into the transcript on appeal herein the following:

1. Court's Decision upon Petitions for Rehearing.
2. Affidavit of Service of Petition for Appeal and Assignment of Errors of Intervenors.
3. Defts. Exhibit G, H, I-A, I-B, and J.
4. Intervenors' Exhibit 8.

R. P. OLDHAM,  
R. C. GOODALE,  
Solicitors for Deft.

(Filed Sept. 26, 1915.)

NOTICE—Attorneys will please endorse their own Filings. Rule 11. [195]

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**Affidavit of Service of Petition and Assignments of Error of Intervenors.**

State of Washington,  
County of King,—ss.

Nora W. Gardner, being first duly sworn, deposes and says: That on July 31st, 1916, she served the petition for appeal and the assignments of errors



herein by the intervenors upon the defendant by delivering to and leaving with the stenographer of Messrs. R. P. Oldham and R. C. Goodale, solicitors for said defendant, purported copies thereof, (received by mail from P. M. Troy, of Olympia, Washington, accompanying a letter dated July 29, 1916, and addressel to A. J. Falknor, Seattle, Washington), at their offices in Seattle, King County, Washington.

Furthermore affiant saith naught.

NORA W. GARDNER.

Subscribed and sworn to before me this 4th day of August, 1916.

[Seal]

R. G. SHARPE,

Notary Public, in and for the State of Washington,  
Residing at Seattle.

(Filed Aug. 7, 1916.) [1915½]

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**Decision on Petition for a Rehearing.**

Filed Jan. 31, 1916.

TROY & STURDEVANT, THOMAS M.  
VANCE, for Complainant.

OLDHAM & GOODALE, for Defendant.

THOMAS L. O'LEARY, THOMAS M.  
VANCE, for Intervenors.

CUSHMAN, District Judge.

Complainant and intervenors file separate petitions for a rehearing. The principal ground argued in each is that the Court erred in not allowing complainant's claim for \$35,550, "representing the money loaned Hayes on his notes by the United

States National Bank." Petitioners contend that this loan preceded the organization of the Olympia Bank & Trust Company, but it is impossible to distinguish the transactions immediately preceding the organization of the bank from those attending it. In such transactions, the Court will look through corporate forms to the substance.

Tanana Trad. Co. v. North America Trad. & Trans. Co., 220 Fed. 783, at 787. [196]

The stock of the Olympia Bank & Trust Company was to be, and was turned over to Gilchrist, executive officer of the United States National Bank, as well as the notes of the stockholders of the Olympia Bank & Trust Company. Hayes' notes are, and were, recognized as worthless.

There was a fraudulent conspiracy between Gilchrist and Hayes to organize the Olympia Bank & Trust Company, without its stock being paid in cash, as required by law. Each concealed from his associates, the directors of the respective banks in which he was an officer, the nature of the transaction.

In this respect the banks and the receivers are on a par. There is nothing to be chosen between them. Aside from the question of power, the future establishment and financing of another bank was such an extraordinary transaction as—when so secretly engineered by Gilchrist, to constitute a fraud upon the United States National Bank and other directors.

The effect of Gilchrist's taking the majority of the stock of the Olympia Bank & Trust Company, as security for the worthless notes of Hayes was—if it stood—to make the United States National Bank the

majority stockholder of the Olympia Bank & Trust Company, a fraud upon the former institution and its stockholders, though a national bank could take such collateral in a *bona fide* transaction.

Hayes deceived his associates, who subscribed for stock in the Olympia Bank & Trust Company, into believing that he, Hayes, was loaning them money on their notes, with which their stock was being paid, while he was, in fact, leaving their notes and stock with Gilchrist, of the United States National Bank, with the understanding that, as the notes were paid, the stock would be returned.

The Washington statute regarding the organization of trust companies provides: [197]

“All of which (the capital stock) shall be paid in cash before any trust company shall be authorized to transact any business, and such payment shall be certified to the State Bank Examiner under oath by the president and treasurer or secretary of the trust company.” (Sec. 3346 Rem. & Bal. Code.)

No part of this disputed item was ever paid in cash. What is claimed is that a credit was obtained in the United States National Bank for Hays' note, that is, a promise to pay cash on demand, which promise was, as the Court has found, saddled with an agreement that Hayes would, upon demand, charge off the credit given the Olympia Bank & Trust Company.

The Court found, upon the trial, in effect, that the \$36,550, stock subscribed by Hays was, in no sense, paid, because the credit to the Olympia Bank & Trust

Company, colorably given on account thereof upon the books of the United States National Bank, was secretly and fraudulently pledged, by agreement between Hays and Gilchrist, from the beginning. The fund represented by this colorable credit was, at all times, in the control and keeping of Gilchrist, as an officer of the United States National Bank, and Hays agreed to the charging off of this colorable credit at any time, which agreement he performed upon demand of Gilchrist, by giving drafts to that amount.

If it were established that this was in any sense a genuine, authorized credit, there could be no contention that Hays had any authority to apply it to the payment of his own note, that is, take the money of the Olympia Bank & Trust Company for the payment of his own obligation. But the Court finds that, as a credit, it had no existence in fact, and was only a color of credit.

Upon the petitions for a rehearing, it is urged that the only evidence of such an agreement is a statement by Gilchrist to Dysart to that effect and that, for that reason, it is hearsay. If that was the only evidence, as the Court found Hays and Gilchrist had been in a conspiracy, the statement of one in its furtherance, would be evidence against the other; and, in whatever capacity Hays [198] was acting in his dealing with Gilchrist, when this colorable credit was obtained, it will, as between the innocent banks, be given effect against the Olympia Bank & Trust Company, for it must show the stronger right, which it has not done.



The statement by Gilchrist to Dysart is more than hearsay. This statement, taken in connection with the fact that the draft was immediately thereafter surrendered by Hayes to Gilchrist, without other apparent reason than such an understanding having been entered into between them, together with the other circumstances, including the close secret relations existing between Gilchrist and Hays, makes of the statement more than hearsay.

As Gilchrist was first vice-president and manager of the United States National Bank, counsel, in their petition for a rehearing, demand how it is that Dysart, the second vice-president, could assume to command Gilchrist to obtain from Hays drafts against this colorable credit, or otherwise secure its relinquishment. The only answer to that is that it must have been the righteousness of his cause for "Doubly armed is he who has his quarrel just."

If this credit had been more than colorable, such action upon the part of Dysart would have been reprehensible; but the Court finds that it was not. The giving of the draft was but an effort to remove a cloud created in fraud upon the funds of the United States National Bank.

It is not necessary for the Court to consider whether, in an action at law upon the stock subscriptions of the innocent stockholders of the Olympia Bank & Trust Company, the transactions—whereby they gave Hays their notes with the understanding that he was paying for the stock subscribed by them, would, or would not amount to payment, as the performance of such understanding might be a condition



of the stock subscription and avoid the latter under ground of fraud or mistake. But, when they entrusted to [199] Hays their notes and the securing of the money to pay for their and the other stock and the payment of it, in order to launch the Olympia Bank & Trust Company, and Mr. Hays, in company with Mr. Gilchrist, saw fit to secretly pledge this credit back to the United States National Bank, the stock cannot be held to have been paid thereby, as against the receiver of the United States National Bank.

Doubtless, complainant, representing the innocent stockholders and creditors of the Olympia Bank & Trust Company, would be entitled to prevail against Gilchrist; but the stockholders and creditors of the United States National Bank, represented by its receiver, are equally as innocent as the Olympia Bank & Trust Company. There is no superior equity upon the part of the stockholders of the Olympia Bank & Trust Company over those of the United States National Bank.

Undoubtedly, Hays' associates were upright men and were victimized by him; but when they entrusted him to do their work of seeing to the paying in of the cash on subscriptions for stock—they put him in a position to injure others, as well as themselves. He having resorted to fraud to make a showing of having accomplished the task entrusted to him by his associates, it becomes a question of whether they or other innocent persons should suffer. Equity requires that they, who, by their trust, armed him to commit this fraud, shall suffer.

If it be viewed as a joint fraud of Gilchrist and Hays and that, because the United States National Bank had placed Gilchrist in a position of trust, it is liable to the same extent, yet there is this difference: Complainant and intervenors are seeking to recover from the receiver of the United States National. They must show a superior equity and, at the most, their equity is no more than equal to that of the defendant.

It is, of course, true that a rescission must be promptly made and complete. Considering the fact of the failure and subsequent [200] receivership of the United States National Bank, following immediately upon the discovery of the fraud practiced in this matter, I do not deem the delay in tendering the return of the notes of the stockholders of the Olympia Bank & Trust Company, other than Mr. Hays', until the time of the trial as defeating the right of rescission of the United States National Bank. Both banks were in receiverships. No prejudice could arise. All matters between the receivers were kept in *status quo*.

Regarding the deposits made in the United States National Bank by the Olympia Bank & Trust Company after it began business, and petitioners' and intervenors' claim that the rescission is not complete without the return of the Olympia Bank & Trust Company of such deposits, while it is doubtless true that these deposits with the United States National Bank were greater by reason of the relation between Gilchrist and Hays than they otherwise would have been, the making of them did not inhere in the orig-

inal fraudulent transaction. They are, in fact, affected by it, but they were made afterwards without secrecy and more in the ordinary course.

If the righteous organization of the Olympia Bank & Trust Company was presupposed, there would be nothing wrong or fraudulent about an agreement to make the United States National Bank the former's chief depository. There being no showing of insolvency of the United States National Bank at the time these deposits were made, the essence of any effective fraud in securing these deposits would appear to be wanting, as, whether the Olympia Bank & Trust Company be considered as a duly organized bank, or a fraudulently organized bank, or an association of individuals carrying on a bank *de facto*, they would, most probably, have carried such deposits with the United States National Bank or some other bank.

All transactions after the organization of the Olympia Bank & Trust Company were, doubtless, affected by the fact that it [201] had been organized; but the fact that it was organized fraudulently would not avoid all transactions with which it was concerned.

Hays' notes were returned to him, it is said, when the drafts cancelling the credit in the United States National Bank were given to Gilchrist, and that, if there was a rescission, the notes should have been returned to the Olympia Bank & Trust Company. Hays was the executive officer of the Olympia Bank & Trust Company and the return to him of his notes would be a return to that bank.

It is argued that the effect of this return of the notes was to wipe out Hays' liability on his stock subscription. The only way he could end his liability upon the subscription was to pay in the cash to the newly organized bank, and, when he secured, by means of his notes and stock, this color of a credit with the United States National—which he secretly agreed to cancel upon request—he had not paid his subscription, he had only pretended to do so.

The form of findings and decree was settled herein at the conclusion of the trial. The petition of the intervenors for a rehearing calls attention to the fact that, by the findings, the first and second affirmative defenses set up in the answer of the defendant are not determined. As indicated above, I find that there was no fraud upon the part of any one connected with the Olympia Bank & Trust Company, except Hays, and that the others subscribing for stock in that company, believed that their stock subscriptions had been paid in cash. Counsel for respective parties may submit forms of additional findings to be incorporated, covering this phase of the controversy.

Petitions for a rehearing denied. [202]

*In the Superior Court of the State of Washington  
for Thurston County.*

No. 5628.

STATE OF WASHINGTON, on the Relation of  
W. V. TANNER, Attorney General,  
Plaintiff,

vs.

OLYMPIA BANK AND TRUST COMPANY, a  
Corporation,  
Defendant.

**Defendant's Exhibit "G"—Complaint in Superior  
Court in State of Washington etc., v. Olympia  
Bank & Trust Co.**

Comes now the plaintiff by and through the relator  
here in and alleges:

I.

That during all times herein mentioned he was and  
now is the duly elected, qualified and acting attorney  
general of the State of Washington.

II.

That during all times herein mentioned the de-  
fendant was and now is a corporation duly organized  
and existing under and by virtue of the laws of the  
State of Washington, with its principal place of busi-  
ness at Olympia, Washington.

III.

That during all the times herein mentioned W. E.  
Hanson was and now is the duly appointed, qualified  
and acting State Bank Examiner for the State of  
Washington; that heretofore during the month of



September, 1914, it came to the knowledge of the State Examiner that the above-named bank was in straightened circumstances, and it was apparent that the said defendant would not and could not pay its depositors and meet obligations in the regular course of business, and thereupon the said bank examiner took possession of the said bank, and placed in charge thereof a deputy bank examiner. [203]

IV.

That from reports and examinations received and made by the said state bank examiner, it appeared to the said state bank examiner that the said defendant was and is now insolvent, and after an examination the said bank examiner became satisfied that such bank could not and would not resume business or liquidate its indebtedness to the satisfaction of all its creditors; that the said state bank examiner thereupon reported the facts herein alleged, and reported the fact of the insolvency of said bank to the attorney general of the State of Washington, the relator herein, as provided by law; that said report of said state bank examiner was made in writing, a copy of which is hereto attached, marked exhibit "A," and made a part hereof.

V.

That it is impossible at this time to give a whole and accurate statement of the affairs of said bank in this, that it will be impossible to ascertain the amount of money that may be realized upon the various loans and upon the real estate investments, and upon the furniture and fixtures, and other items showing the resources of said institution.

WHEREFORE, your relator prays that this Court appoint a suitable and proper person as receiver of said bank, and for such other and further relief as may seem proper to the Court in the *premesis*.

W. V. TANNER,  
Attorney General.

SCOTT Z. HENDERSON,  
Assistant Attorney General,  
Attorneys for Plaintiff.

State of Washington,  
County of Thurston,—ss.

I, Scott Z. Henderson, being first duly sworn, on oath say: That I am one of the attorneys for the relator in the within and *abobe* [204] *entitle* action; that I am a duly appointed, qualified and acting assistant attorney-general of the State of Washington; that I have read the foregoing complaint, know the contents thereof, and that the matters and things therein alleged are true as I verily believe.

SCOTT Z. HENDERSON.

Subscribed and sworn to before me this 29th day of September, 1914.

JOHN M. WILSON,  
Notary Public in and for the State of Washington,  
Residing at Olympia.

**Exhibit "A" to Complaint—Letter Dated Olympia,  
September 21, 1914, From W. E. Hanson to  
Hon. W. V. Tanner.**

STATE OF WASHINGTON.

OFFICE OF STATE EXAMINER.

Olympia, September 21st, 1914.

Hon. W. V. Tanner,  
Attorney General,  
Olympia, Washington.

Dear Sir:

As State Examiner, I have taken charge of the Olympia Bank & Trust Company, situated at Olympia, Thurston County, Washington, and from reports and examinations have become satisfied that said bank cannot resume business or liquidate its indebtedness to the satisfaction of the creditors, and that the said bank is insolvent.

These facts are reported to you, with the *request*, that you take proper steps to have a receiver appointed, as provided in the statutes.

Yours very truly,

W. E. HANSON,  
State Examiner. [205]

*In the Superior Court of the State of Washington  
for Thurston County.*

No. 5628.

STATE OF WASHINGTON, on the Relation of  
W. V. TANNER, Attorney General,  
Plaintiff,

vs.

OLYMPIA BANK AND TRUST COMPANY, a  
Corporation,  
Defendant.

**Order Appointing Receiver.**

On this 29th day of September, 1914, this cause coming regularly on for hearing in open court, the above-named relator appearing by Scott Z. Henderson, assistant attorney-general, and the above-named defendant appearing by \_\_\_\_\_, and the Court being fully advised in the *premesis*, and it appearing to the Court that Frank McKinney is a suitable and proper person to be appointed receiver for the said defendant,

IT IS THEREFORE HEREBY ORDERED that the said Frank McKinney be and hereby is authorized to take possession of the said defendant and its property, upon qualifying as provided by law, and upon making, executing and delivering a bond in the sum of \$200,000, the said bond to be given to the State of Washington for the use and benefit of the defendant, its depositors, guarantors, and stockholders, conditioned that he will faithfully discharge the duties of receiver to said defendant, and

will faithfully preserve and account for the assets of said bank, according to law and the orders of this Court, and

IT IS FURTHER ORDERED that this receiver make due report to this Court of the proceedings herein as provided by law.

W. O. CHAPMAN,  
Judge. [206]

State of Washington,  
County of Thurston,—ss.

I, I. N. Holmes, County Clerk of Thurston County, and ex-officio Clerk of the Superior Court of the State of Washington, for Thurston County, holding sessions at Olympia, do hereby certify that the foregoing is a true and correct copy of the original complaint, and order appointing receiver, in cause No. 5628, as the same appears on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Court this 23d day of December, 1915.

[Seal]

I. N. HOLMES,  
County Clerk and Clerk of the Superior Court of  
Thurston County, State of Washington.

(Doc. Int. Rev. stamp. Cancelled.) [207]



**Defendants' Exhibit "H"—Letter Dated Olympia,  
Wash., August 25, 1914, From W. Dean Hays  
to U. S. National Bank.**

H. T. Jones, Chairman of the Board.

C. S. Reinhart, President.

W. Dean Hays, Cashier.

W. T. Cavanaugh, Assistant Cashier.

I. M. Howell, Vice-President.

C. Will Shaffer, Secretary.

OLYMPIA BANK & TRUST COMPANY,  
Olympia, Washington.

August 25, 1914.

U. S. National Bank,  
Centralia, Wash.

Gentlemen:

Please charge our account with one thousand (\$1,000.00) dollars and transfer that amount to the Dexter-Horton National Bank, Seattle, Washington, for our credit and advice, and oblige,

Yours very truly,

W. DEAN HAYS,

Cashier.

WDH/C.

(Stamped:)

(U. S. National Bank.

Aug. 26, 1914.

Centralia, Wash.) [208]

**Defendants' Exhibit "I-A"—Letter Dated Centralia, Wash., September 24, 1913, From W. Dean Hays to U. S. National Bank.**

Centralia, Wash., Sept. 24, 1913. 190

To The United States National Bank:

I acknowledge receipt of ——— cancelled vouchers accompanying statement close of business July 25, 1913, and showing a credit balance of \$2649.92, which I have examined and found correct.

STATE BANK OF TENINO.

W. DEAN HAYS,

V. P. [209]

## Defendant's Exhibit "I-B"—Statement of Account.

## STATEMENT OF ACCOUNT.

Centralia, Washington, July 25, 1913.

State Bank of Tenino,

Tenino, Washington.

In Account With

UNITED STATES NATIONAL BANK.

Please examine and report.

DR.				CR.	
1913					
June 26	Coll. ....	2057.33	June 25	Balance .....	3384.66
26	R. ....	40.37	26	R. ....	181.71
27	.....	81.71	27	.....	21.36
28	Coin.....	2000.00	28	.....	336.94
30	.....	217.10	30	.....	152.46
July 1	Coin .....	3000.00	30	.....	802.54
1	Coin .....	55.90	July 1	.....	929.93
2	.....	97.94	2	.....	1672.33
2	Coin .....	3000.00	2	Int. ....	3.53
3	Coin .....	2600.00	3	.....	4878.24
3	.....	42.50	7	.....	1207.33
7	Ret. ....	3.00	7	.....	821.97
7	Coin .....	2720.00	8	(3) .....	6077.46
7	.....	780.46	9	.....	170.36
8	Ret. ....	10.00	9	Ret. ....	19.00
8	.....	462.60	10	.....	493.47
9	.....	236.83	11	.....	1371.04
10	.....	258.60	12	.....	196.00
11	.....	302.28	14	.....	459.00
12	.....	111.90	15	.....	1192.97
14	.....	251.65	16	.....	419.26
15	.....	122.77	17	.....	582.58
15	Coin .....	2000.00	18	.....	457.84
16	.....	594.78	19	.....	378.54
17	.....	433.26	21	.....	517.69
18	Coin .....	2000.00	22	.....	312.54
18	.....	69.25	23	.....	241.08
19	.....	804.33	24	.....	904.48
21	.....	48.25	25	.....	388.00
22	.....	365.80			
23	.....	425.07			28574.19
24	.....	426.52			
25	.....	304.07			
	Balance .....	2649.92			
		28574.19			
			July 25	Balance .....	2649.92

**Defendant's Exhibit "J."**

STATE  
BANK OF TENINO,  
WASH.

No. 4704.

CAMPBELL & CAMPBELL,  
The Merchants.

Tenino, Wash., Sept. 19, 1914.

Pay to the Order of THE UNITED STATES  
NATIONAL BANK \$2000.00 ..... Two Thousand  
no/100.....Dollars.

CAMPBELL & CAMPBELL,  
A. C. CAMPBELL.

State Bank of Tenino,  
Tenino, Wash.

(Endorsed across face):

"Certified

State Bank of Tenino

Isaac Blumauer, Pt."

"Pay to the order of

ANY BANK OR BANKER

Previous Endorsement Guaranteed

UNITED STATES NATIONAL BANK

98-43 Centralia, Wash. 98-43

J. W. DAUBNEY, Cashier."

## Interveners' Exhibit No. 8.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
8	22	Chas. Luman	Sam. Gibson	Same	50
11	21	R. T. Noyes	Secy. State of Wash.	Secy. of State	2
"	"	A. E. Hodgson	Secy. State of Wash.	" "	17 50
"	17	O. & W. Orchard Co.	Secy. State of Wash.	" "	17 50
"	22	Albers & Son.	E. O. Albers	Same	20
Jun. 15	4810	Pt. Blakely Mill Co.	Matt Elenious	"	34 38
Aug. 21	3	S. M. Dowell, Supt.	H. Hughitt	"	17
"	20	A. B. Kennedy	I. M. Howell	Secy. of State	2
					\$160.38

Aug. 24  
U. S. Natl. Bank  
Centralia, Wash.  
On.

1 You  
2 N. T. & O. D. Co.  
3 Peoples Svgs. Bk.  
4 The Mercantile Bk.  
5 Coffman & Dobson Co.  
6 State Bk. Shelton  
7 Bk. of California  
8 North Pacific Bk.



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V

Aug. 25  
U. S. Natl. Bank  
Centralia, Wash.

1914 Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
8		C. Smith	R. Lathrop	Taylor & Clark.	U. S. Natl. B. Cntrl. Wash.	15
" 21	680	John B. Fogarty	Secy. of State	Same	1st N. B. Everett	40
" 20	11265	Detroit Auto Scale Co.	" "	"	Peoples S. B. Detroit, Mich.	10
" 20	252	J. Hill	" "	"	1st N. B. Sedro Wooley	2
" 21	247	Roy L. Shotwell	I. M. Howell	"	State B. Tenino	2
" 20	484	Wilkeson Co.	Secy. of State	"	Sea. Amer. B. Tacoma	2
" 22	799	U. S. M. Laughlin, Mngr.	" "	"	Montesano St. Bank	17 50
" 22		J. L. Nixon	" "	"	B. of Farmington, Wash.	2
" 22	836	Lawrence Perry	" "	"	1st N. B. Kelso, Wn.	2
" 21	4050	G. W. Shannon Co.	" "	"	Citizens B. Anacortes	2 45
" 22	1434	George Livesey	" "	"	Bellingham N. B.	40
" 20		C. C. Wilcox	I. M. Howell	I. M. Howell	U. S. N. B. Vancouver, Wn.	2
" 22	506	W. W. Sparks	Secy. of State	"	U. S. N. B. Vancouver, Wn.	2
" 22	10385	Grays Harbor Comm. Co.	" "	"	Hayes, Hayes, Aberdeen	17 50
" 22	10386	" "	" "	"	" "	17 50
" 24	303	C. R. Janers	" "	"	" "	2
" 22	1235	John J. Rudkin	" "	"	Yakima Valley B. N. Y. Wash.	17 50
" 22	455	Yakima Implement Co.	" "	"	Yakima T. Co.	2
" 21	313	M. D. Baker Motor Cor. Co.	I. M. Howell	"	1st N. B.	2
" 22	9722	N. P. Irrigation Co.	Secy. of State	"	Yak. Valley B.	52 50
" 21	889	Jones Bros.	I. M. Howell	"	State B. Wilbur	6
				22	Total	\$255 95

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Aug. 24

U. S. Natl. Bank  
Centralia, Wash.

V

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
1914 Aug. 25	550	Ruth S. McDonald	Oeg. B. & Trust Co.	Same	1 N. W. & S. D. Co., Seattle	5
" 21	8213	The Hub Clothing Co.	Secy. of State	"	Seattle Natl. Bk.	17 50
" 22	2830	C. N. Soderstrom	" "	"	Metropolitan B., Seattle	2
" 21	10	W. L. Bremmerman	" "	"	N. B. & T. Co. "	2
" "	"	G. M. Haynes	I. M. Howell	"	Old N. B. Spokane	2
" "	1187	Harry L. Oliver Co.	" "	"	" " "	2
" 20	9207	W. H. Opie & Co.	Hanover Inv. Co.	I. M. Howell	B. of Cal. Tacoma	28 75
" 22	406	J. C. Pauley	I. M. Howell	Same	St. Bk. Shelton	2
" 24	3540	Port Blakely Mill Co.	Hiram Roberts	Mrs. R. R. McDonald	" " "	21 85
" 15923	Saulisbury S. Bank	R. H. Fry	Geo. Levy u.	Same	N. E. Natl. B. K. C. Mo.	25
" 25	256	Rajotti Fobert & Winters		J. B. McMorrin	U. S. N. B. Centralia	250
						\$358.10

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 15	24	Moses Coulee Telp. Co.	Secy. of State	Same	15.
" 24	25	" " "	" " "	" " "	2 50
" "		H. F. Rico	I. M. Howell	" " "	2
" "	11768	Halley Mason Hdw. Co.	" " Secy.	" " "	8
" "	1110	John Vittuci Co.	Secy. of State	" " "	2
" "	6721	Mt. Vernon Cream Co.	" " "	" " "	4
" 25	41473	City of Seattle	" " "	" " "	6
" 24	227	The Everett Timber & Inv. Co.	" " "	" " "	17 50
" "	957	Levinson Hotel Co.	" " "	" " "	17 50
" "	8205	McClure & McClure	" " "	" " "	40
" 26	—	G. G. Crury	C. G. Van Hook	" " "	25
" 24	221	O. P. Buirud	I. M. Howell	" " "	2
" 22	381	The Waterville Garage	" " "	" " "	2
" "	709	Wash. Paving Co.	J. P. Guyer	" " "	3 75
					<u>\$147 25</u>

Aug. 26  
U. S. National Bank  
Centralia, Wash.  
O.R.

1 1st N. B., Wenatchee  
2 " " "  
3 " " "  
4 Bk. Montreal, Spokane  
5 Canadian B. Com. Seattle  
6 First N. B. Seattle  
7 Treas. City, Seattle  
8 N. B. Com.  
9 Mer. N. B. "  
10 U. Sav. & T. Co., Seattle  
11 First N. B. Bremerton  
12 The National Bk., Tacoma.  
13 Douglas Co. B. Waterville  
14 Wash. Paving Co. Tacoma

v

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4

Aug. 28  
U. S. National Bank  
Centralia, Wash.  
On.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 25	972	Reynolds Motor Co.	I. M. Howell	Same	4
" "	2430	A. Reynolds	" "	"	2
" "	1142	Donovan Lmb. Co.	" " Secy. State	"	17 50
July 24	173	Ilwaco Mill, & Lmb. Co.	Secy. of State	"	2 50
Aug. 13	1977	The Gettally Co.	Clerk Sup. Court	"	25
" "	173	C. C. Thompson	" "	"	5
" "	1977	Reeves Crolland & Co.	" "	"	80
" "	4684	Wende & Taylor	C. S. Reinhart	"	2
" "	114	Fillman & Co.	Secy. of State	"	2
" "	25	Henry S. Cohn	Clerk Supreme Ct.	"	2
" "	13	Roy R. Gin	I. M. Howell	"	10
" "	25	N. C. Bardsley	C. S. Reinhart	"	2
" "	48434	Powell Sander Co.	I. M. Howell	"	90
" "	253	Alva S. Sherlock	C. S. Reinhart	"	2
" "	27	G. A. Kenyon	I. M. Howell	"	2
" "	5991	Sheppard & Dennis Inv. Co.	Secy. of State	"	4
" "	5308	Chas Leonard	" "	"	2
" "	"	Frank Porter	" "	"	2
" "	25	C. A. Grames	" "	"	2
" "	249	Jones Brick Garage	" "	"	2
" "	267	Sharpstein & Sharpstein	C. S. Reinhart	"	7
" "	2208	West Pub. Co.	" "	"	119.90
					<hr/> 216 60

4

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 26	1295	Burton R. Starr	I. M. Howell, Scy.	Same	2
"	13	S. H. Kelleran	of State	"	5 30
"	8	Vandeveer & Cummings	Clerk C. S. Reinhart	"	8
"	7	C. H. Stiffen	"	"	2
July 28	5	J. E. Murray	"	"	25
Aug. 5	635	Geo. D. Emery	"	"	5
"	14	W. A. Keene	"	"	3 20
"	3	McBurney & O'Connor	"	"	2
"	3	F. V. Brown	"	"	2 60
June 16	5000	Jay Allen	"	"	5
Aug. 6	1049	Preston Throgmson	"	"	5
"	5	1786 Davies Lewis	"	"	1 40
"	12	2280 F. V. Brown	"	"	8 60
"	26	826 W. P. Patton	I. M. Howell	"	17 50
"	"	Bushman et als.	"	"	14 55
"	5	14007 Hayes McM. & D.	C. S. Reinhart	"	1 20
"	10	"	"	"	5
"	15	14028 Kent Newland	"	"	3 20
"	6	37838 N. B. C. Seattle	Clerk Sup. Court	"	25
"	6	972 Josiah Thomas	C. S. Reinhart	"	2
"	"	7076 Farrel Kane & S.	"	"	1 50
					<hr/> 145 05

Aug. 28  
Dexter Horton N. B.  
Seattle, Wash.  
On.

1 Scan. Amer. B. Seattle

2 " " "

3 " " "

4 " " "

5 Wn. St. B. Seattle

6 Ger. Am. B. "

7 Jap. Com. B. Seattle

8 Seattle N. " "

9 " " "

10 " " "

11 " " "

12 " " "

13 " " "

14 " " "

15 " " "

16 First N. B. " "

17 " " "

18 N. B. C. " "

19 " " "

20 N. W. T. & S. D. Co.

21 Am. S. B. & G. Co. "

V



2

Aug. 27  
U. S. National Bank  
Centralia, Wash.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
1914						
Aug. 25			I. M. Howell	Same	Seattle N. B.	2
" "	1373	Sophia C. Nissen	Secy. of State	"	Ger. Amer. B. Seattle	40
" "	4	E. H. Fleet	" "	"	The M. Nat. B. "	15
" "	5	" "	" "	"	" " "	2 50
" 11	79	H. W. Carroll, Treas.	" "	"	U. S. & Trust Co.	2 50
July 1	78	H. W. Carroll, Treas.	" "	"	" " "	15
Aug. 24	102	The Tac. Travellers Inv. Co.	I. M. Howell	"	Pacific N. B. Tacoma	17 50
"			" " Secy. of State	"	Marysville State Bk.	17 50
" 25	13	Marysville Co. Sp. Asso.	Secy. of State	"	1st N. B. Pt. Townsend	4
" 26		Peninsula Motor Co.	" "	"	Yakima N. B. N. Yak.	2
" 25	8423	Fulmer & Co.	" "	"	1st N. Bk. N. Yakima	10
" 24	347	Yakima Auto & Sup. Co.	I. M. Howell	"	C. C. Flum St. B.	2
" 22	2020	Reliable Auto. Co.	" "	"	1st N. B. Hoquiam	2
" "		The White Laundry	T. R. Pentecost	"	Canadian B. Com.	15
" 19	10207	Canadian B. of Com.	" "	"		

[218]

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 \$147

4

Aug. 28  
Dexter Horton N. B.  
Seattle, Wash.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 5	1852	Wright Kel. & Co.	Clerk Sup. Co.	Same	2
" "	277	Creditors Assn.	" "	"	5
" 4	267	"	" "	"	5
" 26	757	O. R. Fox	I. M. Howell	"	2
" 6	1002	Claud E. Stevenson	Clerk Sup. Ct.	"	1 50
" 25		R. N. Gordon	Secy. State	"	2
" 5	2356	Dorr & Hadley	C. S. Reinhart	"	2 60
" 10		Gt. North Express Co.	"	"	2
					<hr/> 22 10

## Frank P. McKinney vs.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Aug. 13		Jno. J. Anderson	C. S. Reinhart	Same	The N. B. Tacoma	5
" 26	370	Mr. H. C. Ridgway	Secy. State	"	Fidelity Trust Co. Tacoma	2
" 27		J. F. Thruchtorn	Ben Everett	"	"	2500.
" 12	6002	Hayden Langhorne & M.	Clerk Supm. Ct.	"	The N. B.	1 50
" 13		Chas. W. Stewart	"	"	"	1 90
" 14	4349	Bates Peer & Peterson	"	"	Bk. Cal.	5
"	7370	Wm. H. Pitn.	"	"	"	5
" 28	719	W. Paving Co.	John Maki	"	Wash. Paving Co.	3 35
						<hr/>
						\$2523.75

V

4

Aug. 29  
Hanover N. B.  
New York, N. Y.  
On.

1 Farmers & M. B. Menominee,  
Wis. Amount.  
478.50

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Last Endorser.  
Same

Favor of.  
Wm. J. Harvard

Drawn By.  
Farmers & Merchants Bk.

Date. Aug. 22  
No. 6540

[221]

4

Aug. 29  
U. S. N. B.  
Centralia, Wash.  
On.

1 Citizens St. B. Arengbn Amount. 2  
 2 N. D. & S. N. Knetta Pomery 2  
 3 La Conner St. B. 4  
 4 Fidelity N. B. Spokane 2  
 5 1# N. B. N. Yakima 2  
 6 St. B. Edmonds 17 50  
 7 Sunnyside B. 17 50  
 8 Fidelity Trust Co., Tacoma 5

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\$52

Last Endorser.  
Same

Favor of.  
I. M. Howell, Secy.  
State

Drawn By.  
C. E. Evanhurt

Date. Aug. 27  
No. 236

[222]





Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 29	179	W. P. White	Self	Same	10
" 26	30426	Hall Bros.	I. M. Howell, Scy. State	" "	17 50
" 27	113	C. Dameyer	Scy. State	" "	2
" 26		Yates Hose Rock Co.	I. M. Howell "	" "	15
" 27	99	I. Am. E. & I. Co.	Mountain View Agri. Co.	I. M. Howell, Scy. State	35
" 27	2472	The Rhodes Co.	I. M. Howell Scy. State	" "	2
					<hr/> \$81.50

Aug. 29  
Dexter Horton N. B.  
Seattle, Wash.

On.  
Merch. N. B. Seattle  
Seattle N. B.

3 N. B. Commerce Seattle  
4 Dexter Horton N. B.  
5 Oriental Am. B. Seattle

6 Natl. City B. Seattle

4

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Aug. 29	7	S. McDowell, Supt.	H. Hughitt	Same	The Bk. of Cal. Tacoma	17
" "	168	W. H. fr. Inman	J. H. Brown	Geo. Miller	Fidelity Tr. Co. "	12 50
" "	13505	Union Lumber Co.	Gust Karas	Same	" " "	2 35
" "	31	Calvin Stewart	H. F. Jones	"	N. B. of "	204 30
" "	28	Universal Sup. Co.	I. M. Howell, Scy.	"	" " "	2
" "	27	P. Tel. & Tel. Co.	E. B. Gausi	"	Bk. of Calif. Seattle	6 65
						<hr/> \$244 80

[226]

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
July 29	C1911592	Banker Trust Co.	Louis Sontag	Same	Dexter Horton N. B. Seattle, Wash.	4
Aug. 27	860	Am. Surety Co. N. Y.	J. H. Brown	"	Amer. B. Assn.	20.
" "	26	Wm. Martin	Scy. State	"	N. B. Com. Seattle	1 20
" "	26	W. M. Frost	I. M. H. Scy. of State	"	1st N. B.	2
" "	27	J. E. Davis	" " " "	"	Fidelity W. B. Spokane	2
" "	25	King Optical Co.	" " " "	"	" " "	2
" "	27	R. G. Powers	State Auditor	"	Traders N. B. "	17 50
" "	29	A. J. Moore	I. M. Howell	"	Citizens Bk. Bremerton	2
					C. E. Bingham & Co. S. W.	2
						<hr/> \$48.70

[227]

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 1 Dexter Horton N. B. Seattle, Wash. On.	Amount.
Aug. 29	6017	Fred. W. Miller	I. M. Howell	Same	1 3rd N. B. Walla Wn.	17 50
"	6199	N. S. Foster	"	"	2 Seattle N. B. Seattle	40.
"	22198	Beaumont Apple	"	"	3 W. N. B. Ellensburg	12
"	28	Warin St. Bank	"	"	4 Seattle N. B.	2
"	29	17200 Pac. Creosoting Co.	C. A. Kindrum	"	5 W. B. Commerce Seattle	521 70
"	29	44 C. W. Bonell	I. M. Howell	"	6 " "	2
"	29	W. J. Hirtshu	"	"	7 " "	2
"	28	1176 Morgan Cigar Co.	"	"	8 Seattle N. B.	2 50
"	29	S. E. Dunner	"	"	9 U. D. & T. B.	2
"	28	13884 First N. B., Seattle	"	"	10 1st N. B.	10
"	29	7442 National City B. Seattle	"	"	11 National City Bk.	40
"	27	4791 Commercial Bank Twisp.	"	"	12 Bk. Calif	5
"	21	568 P. P. Carroll	C. S. Reinhart, Clk.	"	13 W. W. T. O. D. C.	3 30
"	21	2857 John W. Roberts	"	"	14 Scan. Am. B.	5
"	24	5127 Corwin S. Shank	"	"	15 " "	3 30
"	24	91 John S. Jury	"	"	16 N. B. of Com.	5
"	24	Kin Montana	"	"	17 " "	5
"	25	329 Grosseup & Lee	"	"	18 Seattle N. B.	2 30
"	19	2283 F. V. Brown	"	"	19 " "	2
"	18	6011 Jay G. Allen	"	"	20 " "	60
"	16	364 Clise & Poe	"	"	21 Dexter H. N. B.	2
						3 50
						\$683.40

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 19	1072	Ovid A. Byers	C. S. Reinhart	Same	
" 17	2512	C. H. Winders	" "	"	
" 14	5124	Corwin S. Shank	" "	"	
" "	2841	John W. Roberts	" "	"	2 70
" 18	2147	B. H. & T.	" "	"	7
" 15	7087	Farrell Kane & Stratton	" "	"	4
" 26	1345	Crowin & Grim	" "	"	60
	791481	Note Dominion Canada	" "	"	5
	5110698	" "	" "	"	1
					1
					<hr/> 28.30

Sept. 1  
Dexter Horton N. B.  
Seattle, Wash.  
Or.

1 St. Bank Seattle 5  
2 Mehts. N. B. " 2  
3 Scan. Am. Bk. Seattle 2 70  
4 " " " 7  
5 " " " 4  
6 Am. Svcg. B. & T. Co. Seattle 60  
7 Belhg N. B. Bellingham 5  
8 Dominion Canada 1  
9 " " 1

Date.	No.	Drawn By.	L.M. Howell	Favor of.	State	Last Endorser.	Amount.
Aug. 26	545	Ph. Vatile Irrg. Co.	"	"	"	Same	17 50
" 25	16	C. M. Keyes	"	"	"	"	17 50
" 29	8435	Yak. Auto & S. Co.	"	"	"	"	2
" 28	1450	1st N. B. Wash. triena	"	"	"	"	2
" 26	296069	Ph. Com. N. B.	"	"	"	"	20
" 29	20794	1st. N. B. Chewalah	"	"	"	"	40
" 28	5547	M. Falls St. & Song Bk.	"	"	"	"	15
" 28	65	A. A. Hampom	"	"	"	"	45
" 21		H. P. Concliff	"	"	"	"	17 50
" 26		Sidny Zetorsh	"	"	"	"	40
" 27	115765	Wallus N. B.	"	"	"	"	40
" 28	722	Davis Muthland	"	"	"	"	17 50
" 28	404	Mrs. Jesmers Kitchen	"	"	"	"	17 50
" "	682	F. A. Phillips	"	"	"	"	2
" "	9037	City Dye Wks.	"	"	"	"	35
" "	16994	E. H. Stantrer Co.	"	"	"	"	17 50
" "		H. G. Fitch	"	"	"	"	6 80
" 29	91052	Coffma Dakson & Co.	"	"	"	"	2
" 28	1634	Cha. C. Cushin	"	"	"	"	2
" 29		Harry D. Sloan	"	"	"	"	2
" 28	2465	Comm. Snochd Co.	"	"	"	"	17 50
							338 30

Sept. 1  
U. S. N. B.  
Centralia, Wash.  
On.

1 Coml. B. Okanogan  
2 1st N. B. Zulut  
3 1st N. B. N. Yak.  
4 1st N. B. Wash. triena  
5 First N. B. Chicago  
6 Badu N. B. Chicago  
7 Spo. & E. Tran. Co. Spo.  
8 Mic N. B. Port. Or.  
9 Astoria N. B.  
10 Sec. Svgs. & T. Co. Port.  
11 Bnk. Calif. Portland  
12 York T. Co. N. Yak.  
13 Spok St. B. Spok.  
14 N. B. Com.  
15 Scan. Am. B.  
16 Spo. E. T. Co.  
17 Bk. Calif. Tacoma  
18 " " "  
19 Bk. of Com. Armporia  
20 1st. N. B. Everett  
21 Bk. of Com. "



4

Sept 1"  
U. S. N. B.  
Centralia, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 29	3517	Everett Pn., Co.	I. M. Howell Secy. St.	Same	17 50
" 12	1590	Allstrm Frnily Co.	" "	"	15
" "	"	" "	" "	"	2 50
" 14	2700	Bessie Barn	C. S. Rein. hon. Clerk	"	5
" 20	"	C. M. Reeler	" "	"	3
" 11	3492	Engghut & Riggs	" "	"	1 75
" 21	3973	McAuley & Moya	" "	"	5 40
" 17	886	Cordim & Cordim	" "	"	2
" "	218	M. M. Stephens	" "	"	60
" 18	413	Aulin Lu & Muther	" "	"	2
" 22	4689	Skusi & Morsun	" "	"	2
" 26	4700	" "	" "	"	5
" 12	845	M. M. Stephens	" "	"	5
" 19	1990	Crosseup & Morrow	" "	"	40
" 24	"	J. M. Ponan	" "	"	2
" 27	"	A. R. Titlow	" "	"	2
" 10	1485	Davis & Neal	" "	"	5
" 17	1413	Janis Zypha	" "	"	5
" 26	4514	L. D. Procure Co.	" "	"	1 40
" 29	407	Mrs. N. P. Guibles	" "	"	10
" 28	651	N. Tacoma Auto. Bnk Co.	" "	"	2 10
			Marin Burein	C. E. Hourn	
			D. S. Stedman	I. M. Howell, Secy.	
			State Auditor	State	
					94.65

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 1	16109	Olympia Nat. Bk.	Olympia Bank & Trust Co.	Same	201 40
"	20650	Capitol Nat. Bk.	Olympia Bank & Trust Co.	"	1024 25
[231]					1225.65

Sept. 1  
Tacoma, Wn.

4

Sept. 2  
Tacoma; Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 31	1079	--Lister	State Treasurer	I. M. Howell	2 00
" 31	156	C. S. Gilchrist	I. M. Howell	Same	2 00
" 31	368	Baker-Boyer Nat. Bk.	I. M. Howell	"	2 00
" 29	17124	First Nat. Bk.	C. N. Hodgdon	"	40
" 31	311	F. F. Smith	I. M. Howell	"	2 00
" 31	14874	First Nat. Bank--Everett	I. M. Howell	"	35 00
" 31	8438	Yak. Auto. & Sup. Co.	I. M. Howell	"	2 00
" 29	537	W. O. Palmer & Co.	I. M. Howell	"	2 00
" 29	158	E. B. Meade Garage	"	"	2 00
" 27	26	Morningside Irrigtn. Co.	"	"	4 00
" 31	4312	Geo. H. Watt	"	"	17 50
" 22	3	M. A. Peacock	"	"	2 00
" 31	8777	Sunnyside Bank	"	"	2 00
" 31	4215	Ephratu St. Bk.	"	"	17 50
Sept. 2		T. D. Rockwell	"	"	6 00
Aug. 31	34273	Hayes & Hayes	E. J. Bernecke	Same	2 00
" 31	3901	Lewis & Levine	I. M. Howell	"	6 00
" 31	928	M. D. Hare	"	"	2 50
Sept. 1	7116	Farrell, Kane & Stratton	"	"	40 00
Aug. 29		G. Poncen	J. H. Kane	N. E. Hanson	35 00
" 29	2282434	Aberdeen Drug Co.	Olympia Hdq. Co.	Same	25 00
[232]			I. M. Howell	"	96 56
					2 00
					343.06

Puget Sound State Bank  
Tacoma, Wn.

On.  
1 Dexter Horton Nat. Bk.  
2 Nat. Bk. of Commerce

On.  
1 Bank of California  
2 Bank of Calif.  
3 Nat. Bk. of Com.  
4 Nat. Bk. " "  
5 Sec. Sav. & Tr. Co.  
6 First Nat. Bk.  
7 First Nat. Bank  
8 Wilmr. Droyer & Stone  
9 Auburn State Bk.  
10 Mutual Bk. of Roseville  
11 Pullman St. Bk.  
12 Yak. Valley Bk.  
13 Dexter Horton Nat. Bk.  
14 Seattle Nat. Bk.  
15 Union Sav. & Tr. Co.  
16 Nat. Bk. of Com.  
17 Am. Sav. Bk. & Tr. Co.  
18 Nat. City Bank  
19 Am. Sav. Bk. & Tr. Co.  
20 Seattle Nat. Bk.  
21 Am. Expr. Co.

4

Sept. 3  
Puget Sound State Bank  
Tacoma, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Aug. 28	11476	Northwestern Merc. Agcy.	I. M. Howell	Same	15 00
Sept 1	11489	"	"	"	2 50
Aug. 31	33	Gladys C. Todd	Independent Pub. Co.	"	10 00
Sept 1	819	Montesano State Bk.	Olympia B. & T. Co.	"	4 95
" 1		Chas. D. Hurst	I. M. Howell	"	2 00
" 1	649	St. Helena Garage	"	"	2 00
Aug. 31	103	J. A. Smith	"	"	2 00
Sept 1	15915	J. P. Symons Co.	"	"	2 00
Aug. 31		J. F. Attwill	"	"	2 00
Sept 1		C. O. Mock	"	"	2 00
" 3	20659	Cap. Nat. Bank	Olympia B. & T. Co.	"	614 42
Aug. 31		Montesano Silver Lead	I. M. Howell	"	17 50
" 31	2249	Mng. Co.	"	"	35 00
" 31	323	The Emporium Co.	"	"	40 00
Sept 1	414	Wm. S. Lewis	"	"	17 50
" 1	5048	B. Schmidt	"	"	2 00
" 1	515245	First Nat. Bk. Kelso	"	"	2 00
Aug. 31	2925	Northern Exp. Co.	"	"	10 00
" 31	299	Bank of Commerce	"	"	2 00
Sept. 1	46976	First Nat. Bk. Pullman	"	"	2 50
" 1	46973	Spokane & Eastern T. Co.	"	"	17 50
" 1		Seattle Nat. Bk.	"	"	

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804.87

4

Sept. 3  
Puget Sound State Bank  
Tacoma, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Aug. 31	2523	Farmers Nat. Bank	I. M. Howell	Same	Dexter Horton	17 50
Sept. 1	932	Republic Rubber Co.	" "	"	Seattle Nat. Bank	15 00
Sept. 1	730	Rainier Valley State Bk.	" "	"	Rainier Valley St. Bk.	2 50
" 1	19150	Union S. & T. Co.	" "	"	Union S. & T. Co.	40 00
Aug. 31	846	Sherwood & Mansfield	" "	"	Citizens S. & T. Co.	40 00
Sept. 1	30156	Japanese American Com. Co.	" "	"	Nat. Bk. of Com.	40 00
" 1	1396	E. H. Flick	" "	"	German American Bk.	40 00
" 1	31147	Old Nat. Bank	State Treasurer	I. M. Howell	Nat. Bk. Commerce	25 00
" 3	102	A. L. Brown Farm	Manuel Niquette	Same	Nat. Bk. of Tacoma	15 00
" 1		Swiss Investment Co.	I. M. Howell	"	Nat. Bk. of Commerce	17 50
" 1		Mabel S. Tiellar	" "	"	Dexter Horton	2 00
" 1	7834	Brace & Hergert Mill Co.	" "	"	"	8 00
" 1		L. Dudley Long	" "	"	"	2 00
" 2	733	Washington Pav. Co.	L. A. Walter	"	Peoples Sav. Bk.	45 00
" 3	13	Mrs. H. C. Meade	W. Dean Hays	"	Wash. Pav. Co.	25 00
" 3		Mrs. W. J. Dugan	" "	"	Shoshone Nat. Bk.	50 00
" 3	1001	Olympia B. & T. Co.	Puget Sound St. Bk.	"	First Nat. Bk. Cody	1000 00
" 3	1009	" "	" "	"	Hanover Nat. Bk.	1000 00
" 3		" "	" "	"	Dexter Horton	1000 00
" 3		" "	" "	"	U. S. Nat. Bk. Centralia	1000 00

[234]

3384.50

## Frank P. McKinney vs.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 4	8	Harry Dalrymple	C. E. Hewitt	Last Endorser.	
" "		F. A. Dunn	Oly. B. & T. Co.	Same	
Aug. 31	473	Thomas W. Gin	Jas. J. Price	"	5
" "	38248	N. B. Com. Seattle	Us.	Oly. Hdw. Co.	30
Sept. 4	93	W. H. Bun Co., Treno	Julia E. Waldrif, City Treas.	"	14
					5
					10
					317
					68
					<hr/>
					\$377 18



4

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 5		Peter Wain	Peter Wain	Same	20
" 4	28	J. B. Taylor	Same	"	5
Aug. 29		M. Blum, Mo.	J. Grant Hinkler	"	15
Sep 2	288	Saml. Edelstein	Secy. State	"	40
" 1	1098	Stapler Candy Co.	"	"	2 50
" 2	2104	O. M. Lilliequist	"	"	2
" 1	18	Farmers St. B. St. John	"	"	2
" 2	47019	Spo. & E. T. Co. Spo.	I. M. Howell	"	40
" 2	47021	"	"	"	40
" 2	47020	"	"	"	40
" 3	5092	Blumann Mnl. Co.	"	"	10
" 1	11	Pacific Hy. Garage	"	"	17 50
" 3	4922	City Grocery	"	"	2
" 3	211	H. E. Wright	"	"	2
" 2		Kate Hinchin	"	"	2
" 2	746	Elkins Bros.	"	"	2
" 1	143	Ira Goodrich	"	"	2
" 2	69	Pt. Angeles Motor In.	"	"	2
" 3	25	E. R. Wauh Sgl. Co.	"	"	2
" "		Wakefield Bros.	"	"	2
" 2	904	D. H. Bonsha	"	"	40

[236]

\$290

Sept. 5  
Puget Sound St. Bk.  
Tacoma, Wash.

On.  
1 St. Bk. Tenino  
2 " "  
3 Spok. & E. T. Co.  
4 " "  
5 Fidelity N. B. Spok.  
6 Scan. Am. B. "  
7 Ex. N. B. "  
8 Spok. T. & B. Co. Spok.  
9 " "  
10 " "  
11 U. S. N. B. Centralia  
12 Skagit St. Bk. Berley  
13 Bk. of Commerce Everett  
14 Yak. Valley Bk. N. Yak.  
15 C. E. Brigham & Co. S. W.  
16 Mt. Vernon N. B.  
17 Bk. of Stanwood  
18 Bk. Clallam Co. Pt. A.  
19 " "  
20 Bk. of Elma  
21 1st N. B. Tappuss

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 5" Puget Sound St. Bk. Tacoma, Wash.	Amount.
Aug. 31	573744	N. Ex. Co.	I. M. Howell	Same	Northern Ex. Co.	17 50
Sept. "	568376	" "	" "	" "	" "	2
" "	920	Hulbert & Weit	" "	" "	N. W. N. B. Buley	10
" "	37098	Citizen Bk. Bremtn.	" "	" "	Citizen Bk. Brambia	2
" "	641	Fidelity Trust Co.	" "	" "	Com. Ex. Bk. Chicago	10
" "		Bk. of Starbuck	" "	" "	Bk. of Starbuck	2 50
" 3		Nult Optical Co.	" "	" "	Am. B. & I. C. Seattle	10
" "		O. Halbury	" "	" "	Scan. Am. B.	2
" 3	336	C. D. Smith	" "	" "	N. B. Com.	35
" 1		Sumt. Lodg. 206 I. O. O. F.	" "	" "	Rainier St. Bk.	5
" 2	1915	Muidin Alun	" "	" "	Seattle N. B.	35
" 2	349	D. B. Lushbuy	" "	" "	Fun. N. B.	4
" 2	2839	F. L. Hiedrick & Co.	" "	" "	Citizen Bk. Georgetown	2
" 1	84	W. M. Setes	State Treas.	Secy, State	St. Bk. Seattle	2
" 3	19694	Palan Market	I. M. Howell, Secy.	" "	Dext. H. N. B. Seattle	4
" "			State	" "	Seattle N. B.	37 50
" 1	1313	Firy Co. St. B.	" "	" "	Mit. Bk.	40
" 2	6038	Mit. Bank	" "	" "	N. B. Com.	5
" 2	31168	Old N. B.	" "	" "	Scan. Am. B.	10
" "	599	J. P. Mau	" "	" "	1st. N. B.	2 50
" 1	11603	Lincoln Co. St. Bk.	" "	" "	" "	2
" 2	2890	Harrington St. Bk.	" "	" "	N. B. Com.	2
[237]						\$240

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 3	1977	Ross Petrie	Secy. of State	Same	2
" 2		H. G. Fitch	" "	"	40
" 2	779	Huffer & Hayden	" "	"	10
" 2	1987	1st. N. B. N. Yakim.	" "	"	17 50
" 2	91057	Coffuma Dobson & Co.	" "	"	4
" 2	365	Consumer Mfg. & Co.	" "	"	2
" 4	8058	Scan. Am. B. Port.	" "	"	5
Aug. 28	37646	A. H. Avorin Mch. Co.	" "	"	15
Sept. 2	37693	" "	" "	"	2 50
					98 00

Sept. 5'  
Puget Sound St. Bank  
Tacoma, Wash.

4

On.  
Scan. Am. Bk. Tacoma  
Bk. of Cal.  
Fidelity T. Co.  
N. B.  
Bk. of Cal.  
You  
Scan. Am. Bk. Port., Or.  
U. S. N. B.  
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Same  
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Secy. of State  
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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 5 Puget Sound State Bank Tacoma, Wash. On.	Amount.
Sep. 3	820	Muri & Congu	I. M. Howell	Same	Scan. Am. Bk. Tacoma	25
" "	1450	George Livsey	"	"	Balg. N. B. Belling	40
" 2	157	Brown & Thompson	"	"	Ex. N. B. Spok.	5
" 2	9960	Boston Clothing Co.	"	"	1st N. B. Everett	35
" 3	5698	Piper & Taft	"	"	Scan. Am. Bk. Seattle	17 50
" 2	407	John Pattison	C. S. Reinhardt	"	Washi. N. B. Spok.	5
" 2	138	Blair & Blair	"	"	Bk. of Com. Seatl.	2
" 2		H. T. Granger	"	"	Scan. Am. Bk. "	2
" 2	1160	June Kinfir	"	"	1st. N. B. "	12
" 1	4968	Geo. B. Cole	"	"	" " "	5
" 1	1123	L. E. Kirkpatrick	"	"	Ger. Am. Bk. "	2
Aug. 27		E. E. Wager	"	"	Wash. N. B. Ektenbg.	1 80
" 28	205	Ryan & Desmour	"	"	D. H. N. B. Seattle	5
" "	4693	Post Avery & Higgin.	"	"	Ex. N. B. Spok.	5
" "	1774	Paul B. Phillips	"	"	N. City B. Seattle	5
" 26		J. R. Allen	"	"	Scan. Am. Bk. Seattle	2
" 31	1380	Forance & Helsen	"	"	Merht. N. B. "	10
" 29	4889	Geo. H. Hermann	"	"	1st N. B. "	15
" "	530	Wm. Wray	"	"	Seattle E. N. B. "	12
" 31		J. M. Milk Day	"	"	Ger. Am. Bk. "	5
" "	1992	Hormont & Taylor	"	"	1st N. B. "	5

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Sept. 5 Puget Sound State Bank Tacoma, Wash.	Amount.
Sept. 1							4
Aug. 29	17125	Govnr Leats	C. S. Reinhart	Same			9
" 29	634	1st Natl. Bk. Hoquiam	C. W. Hodgdon	C. S. Reinhart			2
" 29	2906	Sidney Persin	C. S. Reinhart	" "			25
" "	2901	Cannon Furn. Dwan	" "	" "			10
July 31	2579	F. A. Kern	Fred S. Guyot	" "			2
							3
							60
							\$51 60



Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Spt. 1					
" 4	5595696	Mrs. W. J. Dugan	W. Dean Hays	Same	25 00
Aug. 7	944	Guy O. Taylor	John Aldridge	"	90 00
" 7	942	Jas. H. de Veuvo Co.	I. M. Howell	"	15 00
Sept. 4	3036	Am. Sav. B. & T. Co.	"	"	30 00
" 4	34350	Hayes & Hayes Bankers	"	"	40 00
" 1	777	Ill.-Central R. R. Co.	"	"	2 00
" 2	5565	Metaline Falls St. & Sav. Bk.	Alphonse Bonas	"	57 50
" 3	47092	Spokane & Eastern Ir. Co.	I. M. Howell	"	2 50
" 4			"	"	
Aug. 29		Wm. McArthur	Wm. McArthur	Geo. Miller	2 00
" 29		C. H. Jones	St. Cap. Record	"	5 00
Sept. 4	23190	Simpson Logging Co.	Earl McIntosh	Geo. Taylor	1 50
Aug. 31	11370	Olympia Oyster Inv. Co.	Mark Oglo	Wm. Oglo	39 00
" "	11383	"	Wm. Oglo	Same	12 25
Sept. 5	2737	Nat. Bk. of Tacoma	W. M. Haskell	"	125 00
July 13	2958	Tacoma L. & Imp. Co.	I. M. Howell	"	6 50
Sept. 4	2973	"	"	"	45 00
" 4	6059	Bankers Trust Co.	"	"	7 50
" 3	91059	Coffman, Dobson & Co.	"	"	40 00
Jun 25	9736	Prtng State Bk.	D. W. Chapin	"	2 00
Sept. 4	1072	Issaquah St. Bank	I. M. Howell	"	25 60
					17 50

Puget Sound State Bk.

Tacoma, Wn.		Amount.
On.		
1	Nat. Bk. of Com.	4 55
2	U. S. Treas.	36 00
3	" "	57 00
4	Pug. S. St. Bk.	24 00
5	" "	32 00
6	" "	24 00
		<hr/>
		177 55

Sept. 9  
Dexter-Horton Nat.  
Seattle, Wn.

On.		Amount.
1	Scand. Am. Bank	110 00
2	Seattle Nat. Bk.	4 00
3	Can. Bk. of Com.	40 00
4	State Bk. of Seattle	240 00
5	Dexter Horton	2 00
6	Nat. City Bank	5 00
7	Nat. Bk. of Commerce	2 00
8	First National	2 00
9	Nat. City Bank	2 00
10	Union Sav. & T. Co.	52 50
11	Nat. City Bank	17 50
12	Nat. Bk. of Commerce	2 50
13	" "	15 00

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494 50

Last Endorser.

Same
Chas. E. Hewitt
" "
Same
" "
" "

Favor of.

H. A. Percival
Sarah M. Williams
Levi A. Talbot
W. E. Hawthorne
" "
" "

Drawn By.

Date.	No.	Drawn By.
Sept. 5	55	H. O. Harting
" 4	5576345	Treas. of U. S.
" 4	5684546	" "
" 5	103	A. J. Mahillop
" 1		W. H. Morton
" 4	129	L. S. McKillop

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Last Endorser.

Same
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Favor of.

Sec. of State
I. M. Howell
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Drawn By.

Date.	No.	Drawn By.
Sept. 8	14514	Geo. W. H. White
" 3	3129	Northwest Motor Co.
" 4	A-374	Ira Bronson
" 5	172	Allen Edwards
" 1	232	Pac. Window Shade Co.
" 4		A. W. Runhart
" 4	163	L. L. Owen
" 4	4606	Winton Motor Co.
" 4	631	Owen McCusper, Jr.,
" 5	323	Karl Zick Co., Inc.
" 7	247	Herrick Fairmount Co.
Aug. 20	506	Wash. Retail Merchant Assn.
June 30	487	Wash. Retail Merchant Assn.

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4

Sept. 9  
Puget Sound State Bank  
Tacoma, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 7	1	Wash. Paving Co.	A. R. Douglas	Same	Fidelity Trust Co.	60 00
" 7	2	" "	R. H. Akers	"	" "	42 00
" 4	11980	Yakima Valley F. G. Assn.	" "	"	Yakima Valley Bank	2 00
" 5	552	Magnus G. Thomb	" "	"	Bank of Stanwood	16 00
" 2	31169	Old Nat. Bank	" "	"	Nat. Bank of Com.	35 00
" 2	21	Farmers State Bk.	" "	"	Exchange Nat. Bk.	2 50
" 3	960	Farmers State Bk. of Havre	" "	"	Am. Nat. Bk.	10 00
" 4	30548	Marysville State Bk.	" "	"	Nat. Bk. of Com.	25 00
" 5	37035	Exchange Nat. Bk.	" "	"	Exchange Nat. Bk.	40 00
" 4	13915	First Nat. Bk.	" "	"	First Nat. Bk.	40 00
" 5	6010	Farmers Bank	" "	"	Seattle Nat. Bk.	40 00
Aug. 28		Alf Soloos	" "	"	Scand. Am. Bk.	4 00
Sept. 3	301	Raymond Auto Co.	" "	"	Willapa Harbor St. Bk.	2 00
" 5	5630	T. J. Farley	" "	"	Bellingham Nat.	2 00
" 5	831	Vancouver Contr. Co.	" "	"	U. S. Nat. Vancouver	4 00
" 4		D. Emily F. Balsam	" "	"	First Bk. of White Bluff	2 50
" 3	8461	Yak. Auto & Sup. Co.	" "	"	First Nat. Bk.	2 00
" 4	1187	Bertles & Bertles	" "	"	Traders Nat.	2 00
" 5	114	R. B. Haley	" "	"	First Nat. Hoquiam	2 00
" 5	469	Wash. Auto Co.	" "	"	Yak. Nat. Bank	2 00
" 5		F. T. McCarty	" "	"	Tolt State Bk.	2 00

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337 00

					Sept. 9	4
					Puget Sound State Bk.	
					Tacoma, Wn.	
					On.	Amount.
				1	Wash. Exchange	2 00
				2	Spokane & Eastern T. Co.	2 00
				3	Old Nat. Bank	2 00
				4	E. Bamsmusler Co.	2 00
				5	Nat. Bk. of Tacoma	17 50
				6	First Nat. White Salmon	15 00
				7	German Am. Nat.	5 00
				8	State Bk. of Tenino	5 00
						<hr/> 50 50

Last Endorser.  
 Same  
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 L. F. Davis

Favor of.  
 I. M. Howell  
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 L. F. Davis

Drawn By.  
 Geo. B. Simpson  
 W. T. Root  
 Frank Funkhouser  
 Ralph Maguire  
 W. H. Kenworthy & Sons  
 Avery R. Hayes  
 Am. Trade Mark Assn.  
 L. F. Davis

No.  
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 813  
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 246

Date.  
 Sept 5  
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					Sept. 9	4
					Puget Sound State Bk.	
					Tacoma, Wn.	
					On.	Amount.
				1	Dexter Horton	608 14
				2	Nat. Bank of Tacoma	1236 07
						<hr/> 1844 21

Last Endorser.  
 Same  
 " "  
 " "

Favor of.  
 Olympia Bank &  
 Trust  
 Olympia Bank &  
 Trust

Drawn By.  
 Olympia Nat.  
 Capitol Nat.

No.  
 16139  
 18934

Date.  
 Sept. 9  
 " 9

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 8		Pac. Lbu. & Millwork Co.	I. M. Howell	Same	Puget Sound State Bank	40 00
" 1		J. W. Evans	Alex. Youerex	Albert Waddell	Tacoma, Wn.	27 59
" 8	26	Jeannette Benedict	A. Waddell	"	"	5 00
" 8	2331	Big Creek Shgle Co.	I. M. Howell	Same	"	17 50
" 8	13913	St. Bk. of Wilbur	"	"	Bk. of California	40 00
" 8	6536	Pac. Nat. Lbr. Co.	"	"	"	17 50
" 8	15832	Scand. Am. Bk.	"	"	Scand. Am. Bk.	35 00
" 8	2838	D. & M. Lbr. Co.	"	"	Pac. Nat. Bk. Tac.	17 50
" 1	7684	Miller Brosco.	J. A. Piper	Albert Waddell	Fidelity Tr. Co.	3 67
" 8	9854	Linstrom-Hanforth Co.	L. F. Harmer	"	"	54 30
" 9	737	Wash. Paving Co.	G. W. Young	Same	Savage Scofield Blvd.	2 50
" 9	736	"	M. W. Holmes	"	"	2 25
						<hr/> 262 81



Sept. 10  
Dexter-Horton  
Seattle, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 8	13924	First Nat. Kennewick	I. M. Howell	Same	1 First Nat. Seattle	45 00
Aug. 31	31133	Old Nat. Spokane	C. W. Brown	"	2 Nat. Bk. of Commerce	50.00
Sept. 8	87	Anna Hummel	I. M. Howell	"	3 Nat. City Bk.	2 00
"	7	R. W. Jackson	"	"	4 Union Sav. & Tr.	2 00
"	8	R. D. Rinneo	"	"	5 Ger. Am.	2 00
"	8	Lilly & Lilly	"	"	6 Am. Sav. B. & T.	2 00
"	5	Robinson Fisheries Co.	"	"	7 Scand. Am.	52 50
"	8	Lewis & Levine	"	"	8 Am. Sav. B. & T.	17 50
"	8	O. R. Dahl	"	"	9 Bk. of California	40 00
"	8	Union Sav. & Tr. Co.	F. B. Wiesthing	I. M. Howell	10 Union Sav. & Tr. Co.	17 50
"	8	Nat. City Bk.	I. M. Howell	Same	11 Nat. City Bank	40 00
"	8	Citizens B. & T. Co.	"	"	12 " "	10 00
"	1	Sears Roebuck & Co.	J. W. Sawyer	Chas. E. Hewitt	13 Dexter Horton	5 12
"	8	First Nat. Chewelah	I. M. Howell	Same	14 Traders Nat. Spokane	2 00
"	7	Am. Express Co.	"	"	15 Am. Express Co.	2 00
"	5	Marie Gleason	"	"	16 Montesano State	2 00
"	8	F. B. Churchill	"	"	17 St. Bank of Kent	2 00
"	6	Fleider Grocery	"	"	18 Citizens Bk. of Bremerton	2 00
"	7	Larson Hdwe Co.	"	"	19 Yakima Nat.	2 00
"	7	Ira M. Henkle	"	"	20 Arlington St. Bk.	2 00
Aug. 8	596	F. J. Walsh	"	"	21 First Nat. Everett	2 50

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302 12

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 10	Amount.
Sept. 8	54	Selah Highlands Water	I. M. Howell	Same	Dexter Horton Seattle, Wn.	17 50
" 5	399	Mansfield E. & N. H. Co.	Arthur Manke	Albert Waddell	On.	116 60
" 8	2931	Bank of Commerce	I. M. Howell	Same	1 First Nat. No. Yak. 2 Mansfield St. 3 Bk. of Com. Everett	22 00
[249]						156 10

4

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 10	Amount.
Sept. 7	1065	D. C. Uric	I. M. Howell	Same	First Nat. Bank Portland, Ore.	2 00
" 9		Walter Wilmot	A. Waddell	Same	On.	2 00
July 16		Illinois Tmbr. Co.	I. M. Howell	"	1 Camas St. 2 Can. Bk. of Com. 3 Central Tr. Co. of Ill.	15 00
Sept. 1	21	Oriental L. & Im. Co.	"	"	4 " " " " " "	2 50
" 5	8487	Am. Exc. Nat.	"	"	5 Nat. Bk. of Com. N. Y.	2 50
" 5	8489	"	"	"	6 " " " " " "	2 50
Sept. 1		Ill. Tmbr. Co.	"	"	7 Central Tr. Co. of Ill.	2 50
July 16	16	Oriental L. & Im. Co.	"	"	8 " " " " " "	15 00
Sept. 5	8488	Am. Exch. Nat.	"	"	9 Nat. Bk. Com. N. Y.	20 00
Aug. 25	8916	Sav. Bk. of Minneapolis	Angeline Brazel	"	10 Sav. Bk. of Minneapolis	14 00
Sept. 9	122	Western Union	C. N. Hall	"	11 Bk. of California S. F.	10 00
" 8	288	Geo. W. Gearhart	I. M. Howell	"	12 First Nat. Portland	5 00
" 7		A. J. Protzmore	"	"	13 Cashmere St. Bk.	17 50
" 8	11746	Parlin & Prendorff Plow	State Treas.	I. M. Howell	14 Lumberman Nat.	17 50
[250]						128 00

Date. Sept. 10 [251]	No. Olympia B. & T. Co.	Drawn By. Puget Sound St. U. S. Note chgd. this Dft. on 9/12/14	Favor of. Puget Sound State Bank Tacoma, Wn.	Last Endorser.	Sept. 10 Puget Sound State Bank Tacoma, Wn.	4	Amount. 3000 00
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Date. Sept. 10 " 10 [252]	No. 739 740	Drawn By. Wash. Pav. Co. " " "	Favor of. Joe Grimm J. T. Berrigan	Last Endorser. Same "	Sept. 11 Wash. Paving Co. Tacoma, Wn.	4	Amount. 2 10 1 25 <hr/> 3 35
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Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 7	2761	Commercial B. & T. Co.	Us	Same	Yourselves	7 15
Sept. 8	7292	Stinson Mill Co.	I. M. Howell	Same	Ntl. Bank of Com.	2 00
" 9	18845	Herbert S. Upper	"	"	"	2 00
" 8	23526	First Ntl. Bk. Everett	"	"	"	25 00
" 2	16	R. Anthony	"	"	Ntl. City Bank	2 00
" 9	47109	Seattle Ntl. Bank	"	"	Seattle Ntl. Bank	40 00
" 9	7008	U. S. Trust Co. Aberdeen	"	"	First Ntl. Bk. of Seattle	17 50
" 9	11610	Lincoln Co. State Bank	"	"	"	17 50
" 8	3632	Oscar Peterson P. & H. Co.	"	"	Union S. & T. Co.	17 50
						<hr/>
						130 65

[253]

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 9	91965	First Ntl. Bank Portland	I. M. Howell	Same	Yourselves	45 00
" 9	113	Seal River Boom Co.	"	"	Lumbermen's Ntl.	2 50
" 3	112	"	"	"	"	15 00
						<hr/>
						62 50

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Sept. 11  
Puget Sound State Bank  
Tacoma, Wn.

No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
52	Wash. Pav. Co.	Arthur Wright	Same	Fidelity Trust	2 75
650	J. H. Deer	Himself	Same	St. Bank of Shelton	10 00
5668	Dysart & Ellsbury	I. M. Howell	"	U. S. Ntl. Centralia	10 00
1142	Odessa Hdwe & Impl. Co.	"	"	Union St. Bk. Odessa	4 00
225	Toppenish Garage	"	"	Central Bk. Toppenish	4 00
195	Lane Auto Co.	"	"	Bank of Elma	2 00
920	Cassie Grosebraugh	"	"	First Nat. N. Yakima	2 00
8495	Yakima A. & S. Co.	"	"	"	2 00
	F. Bernard Naber	"	"	"	2 00
863	L. H. Livermore	"	"	Mansfield State Bk.	2 00
	Chippier Shgle Co.	"	"	First Ntl. Bk. Sedro-Wooley	2 00
	Chas. A. Fleming	"	"	First Ntl. Bk. Bellingham	27 50
		"	"	Exchange Ntl. Bk.	100 00
					168 25

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No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
3138	Hague Box & Lbr. Co.	I. M. Howell, Sec. State	Same	Puget Sound State Bank Tacoma, Wn.	15
3145	"	"	"	N. B. of Tacoma	
4564	Union Meat Co.	Andrew Transf. Co.	"	"	2 50
402	Bellingham N. B.	Secy. of State	"	"	11 20
2348	Chehalis N. B.	"	"	"	17 50
		"	"	Fidelity Tr. Co. Tacoma	4
					\$50 20

Sept. 12  
Puget Sound State Bank  
Tacoma, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 5	3138	Hague Box & Lbr. Co.	I. M. Howell, Sec. State	Same	Puget Sound State Bank Tacoma, Wn.	15
" 9	3145	"	"	"	N. B. of Tacoma	
" 10	4564	Union Meat Co.	Andrew Transf. Co.	"	"	2 50
" 2	402	Bellingham N. B.	Secy. of State	"	"	11 20
" 10	2348	Chehalis N. B.	"	"	"	17 50
			"	"	Fidelity Tr. Co. Tacoma	4
						\$50 20

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Date.	No.	Drawn By.	Secy. of State	Favor of.	Last Endorser.	Amount.
Sept. 10						
" "	1034	National Optical Co.	" "	" "	Same	17 50
" "	113	C. P. Bryant	" "	" "	" "	2
" "	132	Wallace White Crs.	" "	" "	" "	15
" "		" "	" "	" "	" "	2 50
" "		A. A. Sherman	" "	" "	" "	2
" 9	34306	Davenport N. B.	" "	" "	Am. S. B. & T. Co. Seattle	205
" 10	30571	Marysville St. Bk.	" "	" "	Seattle N. B.	15
" 10	22253	Wash. N. B. Ellensburg	" "	" "	Dexter H. N. B.	2
" "	1923	Wm. A. Evans	" "	" "	" "	2 50
" 9	1270	Vanlen & Cummings	" "	" "	Am. Sav. B. & T. Co.	2
" 10	967	Hall & Cosyron	" "	" "	Dexter H. N. B.	205
" 10	64370	Boise City N. B.	" "	" "	N B. Commerce Seattle	15
Aug. 10			N. J. Donart	" "	Seattle N. B.	2
Sep. 10			Secy. of State	" "	" "	22 50
" 11	269	Logg Bros.	" "	" "	" "	35
" 7		Dice & Aagin	" "	" "	Scan. Am. Bk. Seattle	40
" 7	914	Geo. L. Hunt	" "	" "	Seattle N. B.	100
" 10	933	W. A. Walker	" "	" "	Crocker N. B. S. F.	2
" 9	343	Edmonds E. L. & P. Co.	" "	" "	1st N. B. Wartsburg	2
" 9	753690	1st. N. B. Butte Mont.	" "	" "	Coaler St. B. Centralia	2
" 10	20136	Pioneer N. B. Retzorin	" "	" "	1st St. Bk. Prescott	2
			" "	" "	Y. Valley Bk. N. Yak.	2
			" "	" "	1st. N. B.	2
			" "	" "	St. Bk. of Edmonds	2
			" "	" "	Bk. of N. Y. N. Y.	15
			" "	" "	Hanover N. B.	2

[257]

487 50

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 12	1450	State Treasurer	Olympia Bk. & T. Co.	Same	2500
"	1005	Oly. Bk. & T. Co.	Dexter Horton N. B. Co.	"	3500

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Sept. 12  
Dexter Horton N. B.  
Seattle, Wash.  
On.

1	Cap. N. B. Olympia	2500
2	Hanover N. B. N. Y.	3500

\$6000

Sept. 14  
Dexter-Horton Ntl. Bk.  
Seattle, Wn.  
On.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 8	1189	J. F. Knight	Emma Buchan	Same	25 00
" 7	62315	Loyal Prof. Ins. Co.	J. D. Cotes	John Aldridge	35 00
" 12	26	F. A. Fresir	Bearer	Baker & Neilsen	3 00
" 5	3430	Ernst Hdwe & Plbg. Co.	M. Dragkhitz	Same	29 25
" 8	3229	A. L. Brown	Ed. Castle	"	54 85
" 5	1978	C. Victor Martin	County Sheriff	Fred W. McCorkle	1 60
" 12	2	Kenneth P. Baker	Same	J. H. Wells	15 00
" 10	511	Wenatche Brs. Mens. Assn.	Fred W. McCorkle	Same	1 00
" 5	121	Walter McReyburn	"	"	1 00
" 9	4806	Quincy Valley St. Bk.	I. M. Howell	"	2 00
" 11	2763	Nettleton & Kinney	"	"	17 50
" 7	1279	First Natl. Bank	Us	"	5 00
" 3	34328	Hays & Hays	C. S. Reinhart	"	25 00
" 4	683	D. M. Buffington	F. M. Cook	"	25 00
" 4	7	Nickel Plate Shoe Co.	C. S. Reinhart	"	25 00
" 7	2232	West Pub. Co.	E. R. Johnston	C. S. Reinhart	108 40
" 9	38420	Natl. Bk. of Commerce	C. S. Reinhart	Same	25 00
Aug. 13	179	Geo. Coryell, Jr.	"	"	25 00
Sept. 9	14929	First Nat. Everett	"	"	25 00
" 8		Roger M. Bone	"	"	25 00

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498 60



Sept. 14  
Washington Pav. Co.  
Tacoma, Wn.  
On.  
1 Wash. Paving Co.

Last Endorser.  
G. A. Prohney

Favor of.  
F. Stocks

Drawn By.  
Wash. Pvg. Co.

Date. Sept. 12  
[262]

Amount.  
9 00

Sept. 14  
Puget Sound St. Bk.  
Tacoma, Wn.  
On.

Last Endorser.

Favor of.

Drawn By.

Date.

Amount.

Sept. 11	6068	Bankers Trust Co.	Same	1	Bankers Trust Co.	40 00
" 11	2816	Ntl. Bank of Tacoma	"	2	Natl. Bk. of Tacoma	224 00
" 10	6671	Fir Tree Lbr. Co.	Baker & Neilsen	3	"	80 95
" 10	6658	"	Same	4	"	59 30
" 10	6676	"	"	5	"	34 60
" 12	118	A. L. Brown Farm	"	6	"	10 00
" 11	13626	Union Lbr. Co.	"	7	Fidelity Trust Co.	21 75
" 11	13571	"	Baker & Neilsen	8	"	12 65
" 11	13644	"	F. E. Ward	9	"	10 95
" 11	13641	"	"	10	"	38 65
" 11	13574	"	Mike Lennon	11	"	73 65
" 11	13662	"	"	12	"	14 75
" 11	13628	"	"	13	"	14 75
" 11	13599	"	"	14	"	28 90
" 11	13595	"	"	15	"	38 40
" 11	13624	"	"	16	"	45 65
" 11	13655	"	A. R. Adams	17	"	41 35
" 11	13652	"	"	18	"	12 00
" 11	13642	"	"	19	"	10 55
" 11	13649	"	"	20	"	16 80
" 11	13656	"	Same	21	"	13 15
						11 55

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 14 Puget Sound St. Bk. Tacoma, Wn.	Amount.
Sept. 11	13603	Union Lbr. Co.	F. H. Evans	Same	On.	39 65
" 11	13602	" "	F. H. Evans	"	Fidelity Tr. Co.	100 00
" 8	153	C. J. Creswell	C. S. Reinhart	"	" "	25 00
" 10		John M. Boyle	"	"	Bankers Trust	25 00
" 4	4628	Campbell & Campbell	Fred McCorkle	"	St. Bank of Tenino	5 00
" 4		Us	Ourselves	"	U. S. Nat. Bank	2000 00
						2194 65

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Sept. 15 Puget Sound Stat. Bk. Tacoma, Wash.	Amount.
Sep. 12		S. M. McDowell, Supt.	H. Hughett	Same	On.	10 50
" 10	6656	Fir Tree Lbr. Co.	S. A. Grove	"	Tacoma	71 85
" 11	15862	E. C. Johnson, Cashier, Scan. Am. Bk. Tacoma	E. N. Eusinhaun	C. S. Reinhart	"	25.
" 14	6928	Montesano L. V. P.	C. S. Reinhart	"	Fidelity Trust Co.	25.
" 15	340	W. O. Harrington	Oly. B. & T. Co.	"	N. B.	5.
" 11	289	McLean Movin & S. Co.	State Treasurer	I. M. Howell	"	4.
" 12	603	Roberts Bros.	I. M. Howell	"	Fidelity T. C.	2.
" 12	603	Roberts Bros.	"	"	Bk. Cal.	5.
Sep. 12	371	Blke, Bry. N. B. Mich.	I. M. Howell	"	N. B.	17 50
" 10	2575	Ger. Am. St. B. Reizwa.	"	"	Pacific N. B.	2.
" 10	4088	Com. Stat Bk.	"	"	Bk. of Cal.	2.
" 11	91665	Coffin & Dobson	"	"	"	2.
" 7	82	Schol. Dist. '15 Mason Co.	Oly. Hdw. Co.	"	Schol. Dist. 15 Mason Co.	2 10

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Sept. 15  
Dexter Horton N. B.  
Seattle, Wash.  
On.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 15	210	W. P. White	Same	Us	5
" 10	7253	A. B. Peterkin M. D.	Mrs. A. B. Peterkin	"	125
" 12	12658	H. J. Canon	Clerk Supt. Ct.	"	2
" 11	758	Chris P. Havre	"	"	5
" 11	2914	Donworh & Todd	"	"	5
" 12	2914	Jno. W. Roberts	"	"	2
" 11	1832	Edw. Judd	"	"	7
" "		Thos. R. Hornn	"	"	2
" 10		Erin W. Eryhe Rec.	"	"	5
" 13	692	I. W. Robinson	"	"	2
" 14	663	Olin Huebush	"	"	3
" 11	1379	O. T. Temp. Assoc.	Secy. of State	"	5
" 11		Luakehelin Ld. Co.	"	"	10
" 12	1107	B. J. Shipman	"	"	40
" 10	3437	Sullivan Cont. Co.	"	"	40
" 12	1086	E. M. Sherman	"	"	17 50
" 12	20083	1st N. B. Monrow W.	Mrs. Prire O'Conn.	"	2
" 11	24571	Guy C. Brown	I. M. Howell	"	40
" 12	6888	Cushman St. Bk.	"	"	4
" 11	7809	Pomeroy St. Bk.	"	"	2
" 12	13947	1st N. B. Kenneh	"	"	2
					10

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 12	31275	Oly. N. B. Spok.	I. M. Howell	Same	57 50
" 11	14	W. W. C. Miss. Soc.	"	"	5
" 11	3756	N. B. of Com. Spok.	"	"	15
" "	3757	"	"	"	10
" "	2278	St. Bk. Wilbur	"	"	4
" "	4926	Ger. Am. Bk.	"	"	2
" 12	1132	Whitman Co. N. B.	"	"	2
" 14	405	Roger Bonger	"	"	91 95
" 12	6	J. R. Lunun	Contrnder Dist. Co.	"	2
" 1	3091	Trenson Whitman Co.	I. M. Howell	"	2
" 10	1840	Zurt Brier & Redfield	C. S. Reinhart	"	2
" 12	5697	S. M. Brun	"	"	4 70
" 14		A. M. Cross	"	"	2
" 9	53645	Royal T. Ware Co.	I. M. Howell	"	2
" 12	10202	G. G. Ripely	"	"	5
" 10	5741	Burnett Bor	"	"	50
" 11	7767	Big Bend Ld. Co.	"	"	40
" 11	2799	C. W. Hollis & Co.	"	"	52 50
" 10	1140	Newport dip Btrn.	"	"	17 50
" 11	1177	M. H. Lun	"	"	17 50
" "	1910	Idaho Fence F. & C. Co.	"	"	17 50
					2
					402 15

4

Sept. 15  
Dexter Horton N. B.  
Sumter, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sep.	11	Henry Bour	I. M. Howell	Same	2
"	25	J. E. Shum	"	"	2
"	128	T. & G. Ranch	"	"	2
"	640	E. L. Prinson	"	"	2
"	1341	Peter Meh Work	"	"	4
"	990	Reymeds Motor Co.	"	"	4
"	12	E. S. Clark	"	"	2
"	11	Geo. B. Hortuny	"	"	2
"	11	H. Hanson	"	"	2
"	133	A. S. Cullih	"	"	2
"	15	W. D. Cook	"	"	26
"	11	115597 1st N. B. Los Angeles	Laura S. Hunt	Us	5
"	11	19223 Lunm. N. B. Port.	I. M. Howell	I. M. Howell	17 50
"	8	13844 1st Svgs. & B. Co. Doyh.	"	"	45
		Or.	"	"	17 50
"	3	7479 Stanwood Lbr. Co.	"	"	15
"	11	7519 " "	"	"	2 50
"	12	3633 U. S. N. B. Vancouver	"	"	17 50
"	12	19232 Lin. N. B. Port.	"	"	17 50
"	15	16166 Oly. N. B.	"	"	83 86

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267 31

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 12	214	M. R. Martin	Secy. State	Same	2
" 10	6665	Fir Tree Lmbr. Co.	John Westey	"	24 20
					\$26 20

Sept. 10  
Puget Sound St. Bk.  
Tacoma, Wash.  
On.

1 P. S. St. Bk.  
2 N. B. of Tacoma

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sep. 14	121585	U. S. N. B. Vancouver	I. M. Howell, Secy.	Same	15
" "	6737	N. B. Comm. Spokane	" "	"	40
" "	322	Tho. R. Walter	" "	"	45
" "	990	Citizen B. & T. Co. Everett	Moon & Pury	I. M. Howell, Secy.	17 50
" "	242	Toppenish Garage	I. M. Howell, Secy.	"	2
" 12		Wm. Rand	"	"	2
" 10	1691	P. C. Lun. Mfg. Asso.	"	"	2
" 14	7913	Geo. Olson	"	"	40
" "	4660	Chas. Heath	"	"	4
" "	574	Capitol Hill Garage	"	"	2
" "	4	J. A. Lundwall	"	"	2
" "	15181	1st N. B. Snohomish	"	"	2
" 10		A. C. Sullivan	"	"	2
" 12	88	Kinnear Paint & Co.	"	"	364
" 14	6-100	Gordon McAnagan	"	"	40
" "	751	Norman B. Absams	"	"	40
					2

Sept. 16  
Dexter Horton N. B.  
Seattle, Wash.  
On.

1 Hanover N. B. N. Y.  
2 N. B. Comm. Spok.  
3 N. W. N. B. Belling.  
4 Citzn. B. & T. Co. Everett  
5 Central Bk. of Toppenish  
6 1st N. B. N. Yak.  
7 Metropolitan Bk. Seattle  
8 Scan. Am. Bk. "  
9 1st N. B. "  
10 " "  
11 State Bk. "  
12 Seattle N. B.  
13 Seattle "  
14 " "  
15 Dul. H. N. B.  
16 " "

4

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635

4

Sept. 16  
Washington Paving Co.  
Tacoma, Wash.

Last Endorser.  
Us

Favor of.  
C. J. Marnier

Drawn By.  
Wash. Paving Co.

No.

Date.  
9 15

1 You

Amount.  
30

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30

Olympia Bank and Trust Co. 98-51  
Olympia, Wash. Sept. 16, 1914.  
Washington Paving Co.  
Tacoma, Wash.

We enclose for payment items listed below.  
Protest items over  
\$10.00 except those  
marked X.

Telegraph non-pay-  
ment of items exceed-  
ing \$300.00.

Respectfully,  
Olympia Bank and  
Trust Co.

1 You

Amount.  
30

---

30

Pd. by  
Ok. #4  
Credited  
Oct. 20 1914



Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Sept. 17 Puget Sound St. Bank Tacoma, Wn.	Amount.
Sept. 15	64	E. A. Baker, Jr.	I. M. Howell	Same	1	Fid. Trust Co.	2
" 16	6769	Fir Tree Lbr. Co.	Jno. Lavoy	"	2	Ntl. Bk. of Tac.	14 10
" 15	487	Geo. T. Reid	F. W. McCorkle	"	3	" "	80
" 15	27473	Mutual Lbr. Co.	Antoine Kassis	St. Bank of Tenino	4	U. S. Nat. Centralia	50 62
" 15	27482	" "	J. Nicholas	"	5	" "	78 50
" 15	27592	" "	Swanson & Swanson	"	6	" "	70 70
" 15	27446	" "	T. Vanaman	"	7	" "	54 00
" 15	27597	" "	Bert Soule	"	8	" "	33 20
" 15	27540	" "	C. O. Moore	"	9	" "	33 25
" 15	27528	" "	A. Mattson	"	10	" "	26 75
" 14	27438	" "	H. Iverson	"	11	" "	79 90
" 15	27435	" "	A. S. Wilbits	"	12	" "	57 57
" 15	27454	" "	M. Hallett	"	13	" "	63 07
" 15	27451	" "	Milton Mission	"	14	" "	48 52
" 14	27478	" "	Tour Anderson	"	15	" "	54 20
" 15	27434	" "	T. A. Balch	"	16	" "	86 50
" 15	27571	" "	Wm. Greenwood	"	17	" "	45 71
" 15	27509	" "	S. Jacobson	"	18	" "	39 25
" 15	27574	" "	George Vallis	"	19	" "	53 06
" 14	27420	" "	Jno. Herbstrut	"	20	" "	88 85
" 15	27533	" "	F. E. Hadden	"	21	" "	34 00

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 15	27453	Mutual Lbr. Co.	C. Wallace	St. Bank of Tenino	U. S. Nat. Centralia	62 25
15	27539	" "	J. Chambers	" "	" "	42 30
15	27449	" "	J. H. Gallagher	" "	" "	71 95
15	27566	" "	A. Swanson	" "	" "	4 12
15	27615	" "	S. W. Gass	" "	" "	20 00
1	34650	Northwestern Imp. Co.	C. Van Derveer	Same	Northwestern Imp. Co.	100 60
						301 22

4

Sept. 17  
Puget Sound St. Bk.  
Tacoma, Wn.

4

Sept. 17  
Dexter-Horton  
Seattle, Wn.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 10	294	Thro. A. Johnson	I. M. Howell	Same	1 Ntl. City Bank	2 00
15	3102	Dairy Mehy. Co.	" "	"	2 " "	2 00
15	3	Harper Grange	Fred W. Lewis	Chas. E. Hewitt	3 Peoples Sav. Bk.	5 45
14	1496	First S. & T. Bk. Whitman Co.	I. M. Howell	Same	4 Seattle Ntl. Bk.	5 00
14	1851	Robt. Booth	P. M. Troy	Fred McCorkle	5 " "	1 40
15	52398	Scand. Am. Seattle	I. M. Howell	Same	6 Scand. Am.	40 00
June 11	520	J. P. Wall	Fred McCorkle	"	7 " "	80
Sept. 15	8970	St. Bk. of Seattle	I. M. Howell	"	8 St. Bk. of Seattle	40 00
14	661308	First Ntl. Bk. of Butte	" "	"	9 Ntl. Bk. of Com.	2 50
15	10925	St. Bk. of Goldendale	" "	"	10 " "	19 50
15	948	Citizens Bk. Bremerton	" "	"	11 Citizens Bk. Bremerton	2 00
14	2443	Waverly Exch. Bk.	" "	"	12 Waverly Exch. Bk.	2 00
10	1907	Emerson Merc. Co.	" "	"	13 Pullman St. Bk.	17 50
12	39648	Commerce Tr. Co.	Henry J. O'Brien	I. M. Howell	14 Guaranty Tr. Co.	15 00
9	47197	Spokane & Eastern Tr. Co.	W. E. Cullen	"	15 Spokane & Eastern Tr. Co.	5 00
15	7620	Neuman & Kindall	I. M. Howell	"	16 First Ntl. Bk. Bellingham	25
15	6517	K. & K. Timber Co.	" "	"	17 " " Snohomish	17 50
12	2	Cicero Tmbr. & Lbr. Co.	" "	"	18 Old Ntl. Bk.	17 50
12	11	Clark Sligh Timber Co.	" "	"	19 Grand Rapids S. Bk.	17 50
14	15	A. M. Wright	" "	"	20 Farmers Bank	4 00
15	233	Neuman Kilgrage	" "	"	21 Scand. Am. Portland	2 00

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218 90

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 14	830	Model Steam Ldry.	I. M. Howell	Same	2 00
14		F. W. Huff	" "	"	2 00
15		Wakefield Bros.	" "	"	2 00
14	1153	E. E. Langly	" "	"	2 00
17	199	A. J. Fanshler	T. B. Fanshler	"	30 00
					<hr/> 38 00

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
9 18		Us	Puget Sound State Bk.		4000
[276]					

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
9 18		Us	Dexter Horton N. B.		1000
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Sept. 17  
Dexter Horton  
Seattle, Wn.  
On.  
1 Colfax Natl. Bk.  
2 Albion St.  
3 Bk. of Elma  
4 First Ntl. Bk. Harrington  
5 " " Medford, Oren.

Sept. 18  
Puget Sound State Bank  
Tacoma, Wash.  
On.  
1 U. S. N. B. Centralia

Sept. 18  
Dexter Horton N. B.  
Seattle, Wash.  
On.  
1 U. S. N. B. Centralia

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
					Sept. 18" Wash. Paving Co. Tacoma, Wash.	4
9	17	Wash. Paving Co.	Tony Much	Same		14 35
"	18	"	Angelo Cerhee	"		14 50
						<hr/> \$28 85
					S. Olympia Bank and Trust Co. 98-51 Olympia, Wash. Sept. 18, 1914. Wash. Paving Co.	
					Tacoma, Wash.	
					We enclose for credit items listed below.	
					Protest items over	
					\$10.00 except those	
					marked X.	
					Telegraph non-pay-	
					ment of items exceed-	
					ing \$300.00.	
					On.	
					1 You	Amount.
					2 "	14 35
						14 50
						<hr/> \$28 85

Pd. by  
 Ck. #4  
 Credited  
 Oct. 20, 1914.



Sept. 18  
Puget Sound State Bk.  
Tacoma, Wash.  
On.

	Favor of.	Last Endorser.	Amount.
1	Tac. S. B. & T. Co.	Same	41 20
2	N. B. Tacoma	"	30
3	Fidelity Trust Co. Tac.	"	2
			<hr/>
			\$73 20

Sept. 18  
Dexter Horton N. B.  
Seattle, Wash.  
On.

	Favor of.	Last Endorser.	Amount.
1	Dexter H. N. B.	Same	35
2	Union Svgs. & T. Co. Seatl.	C. E. Hewitt	1 60
3	Scan. Am. Bk.	Same	17 50
4	N. B. Com.	"	40
5	N. City Bk.	"	27 50
6	Farm & Mchs. Spok.	"	2
7	Hays & Hays Wn.	"	2
			<hr/>
8	Yak. N. B. N. Yak.	"	2
9	1st N. B.	"	2
			<hr/>
10	1st. N. B. Bellingham.	"	17 50
			<hr/>
			\$147 10

Date.	No.	Drawn By.	Favor of.	Last Endorser.
9 15		Chas. Rec. Kabaugh	I. M. Howell	Same
" 16	26782	Yakima N. B.	"	"
" "	14849	The Mabton Bk.	"	"

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Date.	No.	Drawn By.	Favor of.	Last Endorser.
9 16		W. J. Bernard Co.	I. M. Howell	Same
" "	339	Pt. Wall	Frank E. Baker	C. E. Hewitt
" "	10289	A. D. Eshleman	I. M. Howell	Same
" 15	31297	Old Natl. Bk. Spok.	"	"
" 16	7588	Natl. City Bk.	"	"
" 15	189	Ch. Russell	"	"
" 16	52528	Anderson & Musetton Dr. Co.	"	"
" 15	507	Wash. Auto Co.	"	"
" "	8547	Yakima Auto & Supply Co.	"	"
" 16	5264	1st. N. B. Bellingham	"	"

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4

Sept. 18  
Puget Sound St. Bank  
Tacoma, Wash.  
On.  
Amount.  
\$2000

1 U. S. N. B. Centralia

Last Endorser.

Favor of.  
Puget Sd. St. Bk.  
Tacoma—

Drawn By.  
Us

Date. No.

9 18

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4

Sept. 19  
Dexter Horton, N. B.  
Seattle, Wash.  
On.  
Amount.

1 Metro Bk. Seattle 40  
2 National City Bk. " 40  
3 Scan. Am. Bk. " 40  
4 " " " 17 50  
5 U. Svgs. & G. Co. " 17 50  
6 " " " 17 50  
7 " " " 17 50  
8 Peoples Svgs. " 2  
9 National City Bk. " 2

Last Endorser.

Favor of.  
I. M. Howell  
" "  
" "  
" "  
" "  
" "  
" "  
" "  
" "

Drawn By.

Adam Buler  
Smith Foster Wn. Wntn.  
J. A. Ralmy  
Woodland Shgl. Co.  
Turyeon & Comrade  
McLaughlin-Taylor Co.  
R. E. & M. L. Sum  
Jno. R. Hermann  
Geo. A. Nup—

Date. No.

9 19 232  
" 17 411  
" 14 567  
" 8 110098  
" 9 6914  
" 8 8456  
" " 314  
" 16 384  
" 17 1706

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Sept. 19  
Puget Sound St. Bk.  
Tacoma, Wash.  
On.

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
9	17	465 McDowl & Co.	Secy. State	Same	35
"	"	6852 Cashman St. Bk.	"	"	2
16	37	E. B. Judson & Son	F. M. Lanborn	"	52 25
16	23556	1st N. B. Everett	I. M. Howell	"	40
"	1284	Lannot St. Bk.	"	"	2
17	7	Parker Dist. F. G. Am.	"	"	17 50
"	196	J. N. Stephens	"	"	2
"	90	Otto Nyberg	"	"	2
17	"	J. E. Prulliam	"	"	2
15	85	Chris Amuschwander	State Auditor	Secy. State	4
16	830	A. H. Campbell	I. M. Howell	"	2
14	"	W. G. Hatchius	"	"	2
14	"	J. B. Fasdeck	"	"	2
					<hr/> \$164 75

Date.	No.	Drawn By.	Favor of.	Last Endorser.	Amount.
Sept. 12	331	James A. Fee	C. S. Reinhardt	Same	25 15
" 14	2220	Sherett McLaren & Sherett	"	"	5 00
" 14	133	Wm. A. Johnson	"	"	5 00
" 15	51	A. W. Buddress	"	"	2 00
" 10	455	L. H. Craver	"	"	5 00
" 15	1466	Geo. Livezey	"	"	5 00
" 16	893	Alex. Dickinson	"	"	5 00
" 14	8128	First Ntl. Bank Mt. Vernon	"	"	1 80
Aug. 31		non			25 00
Sept. 16	444	Jno. With Day	"	"	5 00
" 16	666	Attwood Kirby	"	"	2 00
" 16	1086	Shepard Burkheims & B.	"	"	5 00
" 16	8973	McBurney & O'Connor	"	"	5 00
" 12		St. Bk. of Seattle	"	"	5 00
" 14	1463	N. A. Schellberg	"	"	25 00
" 14		Nazum Clark Naizum	"	"	5 00
" 14		Lawrence Jack	"	"	5 00
" 17	1429	Broughton Ntl. Bank	"	"	2 00
" 17	335	S. H. Kellaran	"	"	2 00
" 18	1658	Hamlin & Meier	"	"	2 00
" 17	9691	Tucker & Hyland	"	"	1 80
" 17	2261	Brighton Halvestadt & Lamont	"	"	3 00
					2 00
					138 75

Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 17	502	Longleton	C. S. Reinhart	Same	Sept. 21 Dexter Horton Seattle, Wn.	2 00
17	2616	George H. Walker	"	"	"	5 00
17	16197	N. W. Tr. & S. Dep. Co.	"	"	"	2 00
16	869	McCafferty Robinson &	"	"	"	2 00
17	404	Wm. E. Campbell	"	"	"	3 00
16	7777	Columbia Ntl. Bk.	"	"	"	5 00
Aug. 21	3718	Ntl. Bk. of Com.	John T. Condon	C. S. Reinhart	Ntl. Bk. of Com.	25 00
Sept. 16	1883	Mark F. Mendenehall	C. S. Reinhart	Same	First Ntl. Hoquiam	10 00
16	423	Moulton & Jeffrey	"	"	Seattle Ntl. Bk.	5 00
15		Rocket	"	"	Metropolitan Bk.	2 00
16	239	H. B. Jones	"	"	Spokane & Eastern Tr.	5 00
					First Ntl. Bk. Kenneurih	2 00
					Spokane & East. Tr.	5 00
					Scand. Am.	5 00
						<hr/> 66 00



Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 21	342	W. C. Harrington	Us	Same	Puget Sound St. Bk. Tacoma, Wn.	5 00
18		R. D. Duff & Co.	Frank Blake	"	Ntl. Bk. of Tacoma	12 30
15	16	Glenn H. Simons	C. S. Reinhart	"	Tacoma S. B. & T. Co.	25 00
17	5196	Raymond McMillan	"	"	Fidelity Tr.	2 00
16	830	Thos. MacMahon	"	"	Bk. of Calif.	2 00
16	1300	M. J. Gordon	"	"	Bankers Tr. Co.	2 00
17	17211	First Ntl. Bank Hoquiam	C. W. Hodgdon	Clerk C. S. Reinhart	Ntl. Bk. of Com.	5 00
11	13646	Union Lbr. Co.	John Isaakson	A. R. Adams	Fid. Tr. Co.	13 25
21	1002	Us	P. S. St. Bk.		First Ntl. Bk. Portland	1000 00
						1066 55

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Date.	No.	Drawn By.	Favor of.	Last Endorser.	On.	Amount.
Sept. 19	750	D. A. Williams	Frank Tavernat	Cap. Nat. Bk.	Wash. Paving Co. Tacoma.	5 75
" 19	749	"	Mike Mankuso	"	On.	1 15
" 21	752	"	W. G. Perry	Same	Yourselves	35 00
						41 90

[287]

**Certificate of Clerk U. S. District Court to  
Transcript of Record.**

United States of America,  
Western District of Washington,—ss.

I, Frank L. Crosby, Clerk of the United States District Court for the Western District of Washington, do hereby certify and return that the foregoing pages numbered from 1 to —, inclusive, constitute a full, true and correct transcript of the record and proceedings in the consolidated cases of Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, vs. A. R. Titlow, as receiver of the United States National Bank of Centralia, Washington, substituted for C. A. Snowden, Defendant, C. S. Reinhart and C. Will Shaffer, stockholders of the Olympia Bank & Trust Company, a corporation, for themselves and all other stockholders of said company, intervenors, and Roy A. Langley, as receiver of the State Bank of Tenino, a corporation, vs. United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, Nos. 32-E and 50-E, respectively, lately pending in this court, as required by the praecipes of counsel filed in said causes, as the originals thereof appear on file in this court, at the City of Tacoma, Washington, in the District aforesaid.

I further certify and return that I hereto attach and herewith transmit the original Citations of appellant McKinney, and of appellant Reinhart et al.,

together with original orders extending time for transcript.

I further certify that the following is a full, true and correct statement of all expenses, costs, fees, and charges incurred on behalf of the appellant herein and also on behalf of appellee U. S. National Bank of Centralia, herein, for making the record, certificate and return to the United States Circuit Court of Appeals for the Ninth Circuit, in said above-entitled causes: [288]

Clerk's fees (Sec. 8282, R. S. U. S.) for making record, certificate and return of Appellant McKinney, 427 fl. @ 15¢ ea.....	\$64.05
Certificate to transcript, 4 folios @ 15¢	.60
Seal to said certificate.....	.20
Clerk's fees (Sec. 828, R. S. U. S.) for making record, certificate and return of Appellee U. S. National Bank of Centralia, on praecipe for additional transcript, 131 folios @ 15¢ ea.....	19.65

ATTEST MY OFFICIAL SIGNATURE and the seal of the said Court, at Tacoma, in said District, this 17th day of November, A. D. 1916.

[Seal]

FRANK L. CROSBY,  
Clerk.

By E. C. Stambuk,  
Deputy Clerk. [289]

**Affidavit of Service of Citation on Appeal of Frank  
P. McKinney, etc.**

State of Washington,  
County of Thomson,—ss.

On this 28th day of June, A. D. 1916, personally appeared before me the undersigned authority, P. M. Troy, who, being duly sworn says: that he delivered a copy of the within citation to Oldham & Goodale, Solicitors of the United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, on the 27th day of June, 1916.

P. M. TROY.

Sworn to before me this 28th day of June, A. D. 1916.

[Seal] R. F. STURDEVANT,  
Notary Public in and for the State of Washington,  
Residing at Olympia therein. [290]

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**Citation on Appeal of Frank P. McKinney, etc.**  
United States of America to United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain cause in equity in the United States District Court for the Western District of Washington, Southern Division, wherein Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, is complainant, and United States National Bank of Centralia, a corporation, and A. R. Titlow as re-

ceiver of the United States National Bank of Centralia, are defendants, an appeal has been allowed the complainant therein to the United States Circuit Court of Appeals, Ninth Circuit. You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation to show cause, if any there be, why the order and decree appealed from should not be corrected and speedy *justice* the parties in that behalf.

WITNESS the Honorable EDWARD E. CUSHMAN, Judge of the United States District Court, Western District of Washington, Southern Division, this 27th day of June, A. D. 1916.

EDWARD E. CUSHMAN,  
United States District Judge. [291]

Receipt of a copy of the foregoing notice of appeal and citation admitted, by receipt of copy this 27th of June, 1916, at Seattle, Wash.

R. P. OLDHAM,  
R. C. GOODALE,  
Solicitors for Defendant. [292]

[Endorsed]: No. 32-E. In the District Court of the United States for the Western District of Washington, Southern Division. Frank P. McKinney, as Receiver of the Olympia Bank & Trust Company, Complainant, vs. A. R. Titlow, as Receiver of United States National Bank of Centralia, substituted for C. A. Snowden, Defendant. Notice of Appeal. Filed in the U. S. District Court, Western Dist. of Washington, Southern Division. Jun. 29, 1916. Frank L. Crosby, Clerk. By F. M. Harshberger, Deputy.



*the District Court of the United States for the  
Western District of Washington, Southern  
Division.*

No. 32-E—IN EQUITY.

RANK P. McKINNEY, as Receiver of the Olym-  
pia Bank & Trust Company,  
Complainant,

vs.

R. TITLOW, as Receiver of the United States  
National Bank of Centralia, Substituted for  
C. A. Snowden,  
Defendant,

and

S. REINHART and C. WILL SHAFFER,  
Stockholders of the Olympia Bank & Trust  
Company, for Themselves and All Other  
Stockholders of Said Company,  
Intervenors.

**Affidavit of Service.**

On this 4th day of August, 1916, personally ap-  
peared before the undersigned authority, Nora W.  
Gardner, who being first duly sworn says: That she  
delivered a copy of the within citation to R. P. Old-  
ham and R. C. Goodale, the solicitors for the defend-  
ant, on the 31st day of July, 1916.

NORA W. GARDNER.

Subscribed and sworn to before me this 4th day  
of August, 1916.

[Seal] R. G. SHARPE,  
Notary Public in and for the State of Washington,  
Residing at Seattle. [293]

**Citation on Appeal of C. S. Reinhart et al.**

United States of America to United States National Bank of Centralia, Corporation, and A. R. Titlow, as Receiver of United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain case in Equity in the United States District Court for the Western District of Washington, Southern Division wherein Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, a corporation, is complainant, and the United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of the United States National Bank of Centralia, are defendants, an appeal has been allowed the intervenors therein to the United States Circuit Court of Appeals, Ninth Circuit. You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation and show cause if any there be, why the order and decree appealed from should not be corrected and speedy justice done to the parties in that behalf.

WITNESS the Honorable EDWARD E. CUSHMAN, Judge of the United States District Court of the Western District of Washington, Southern Division, this 27th day of July, 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

Receipt of a true copy of the foregoing citation is hereby admitted this 31st day of July, 1916.

R. P. OLDHAM,  
R. C. GOODALE,  
Solicitors for Defendant.

Service of the foregoing citation, and also the petition for appeal and assignments of error herein admitted this 27th day of July, 1916, and issuance of citation to complainant waived.

THOS. STURDEVANT,  
Atty. for Complainant. [294]

Receipt of a true copy of the foregoing citation on the 31st day of July, 1916, is hereby acknowledged.

R. P. OLDHAM,  
R. C. GOODALE,  
Attorneys for Defendant. [295]

[Endorsed]: No. 32-E. In the District Court of the United States for the Western District of Washington, Southern Division. Frank P. McKinney, as Receiver of Olympia Bank & Trust Co., Complainant, vs. A. R. Titlow, as Receiver of United States National Bank of Centralia, Defendant; C. S. Reinart and C. Will Shaffer, Intervenors. Citation filed in the U. S. District Court, Western Dist. of Washington, Southern Division. Aug. 7, 1916. Frank L. Crosby, Clerk. By F. M. Harshberger, Deputy. [296]

**Citation on Appeal of Roy A. Langley, etc.**

United States of America to United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Greeting:

You are hereby notified that in a certain case in equity in the United States District Court for the Western District of Washington, Southern Division wherein Roy A. Langley, as receiver of the State Bank of Tenino, is complainant, and United States National Bank of Centralia, a corporation, and A. R. Titlow, as receiver of United States National Bank of Centralia, are defendants, an appeal has been allowed the complainant therein to the United States Circuit Court of Appeals, Ninth Circuit. You are hereby cited and admonished to be and appear in said court at the City of San Francisco, State of California, 30 days after the date of this citation to show cause, if any there be, why the order and decree appealed from should not be corrected and speedy justice done the parties in that behalf.

WITNESS the Honorable EDWARD E. CUSHMAN, Judge of the United States District Court Western District of Washington, Southern Division this 27th day of June, A. D. 1916.

EDWARD E. CUSHMAN,  
United States District Judge.

Receipt of a copy of the above citation by receipt of copy is hereby admitted at Seattle, Washington this 27th day of June, 1916.

R. P. OLDHAM,  
R. C. GOODALE,  
Solicitors for Defendants. [297]

[Endorsed]: In Equity. No. 50-E. In the U. S. District Court, Western District, Southern Division. Roy A. Langley, as Receiver of State Bank of Tenino, a Corporation, Plaintiff, vs. U. S. National Bank of Centralia et al., Defendants. Citation and Proof. Filed in the U. S. District Court, Western Dist. of Washington, Southern Division. Jun. 28, 1916. Frank L. Crosby, Clerk. By F. M. Harshberger, Deputy. [298]

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*In the District Court of the United States for the Western District of Washington, Southern Division.*

No. 32-E—IN EQUITY.

FRANK P. McKINNEY, as Receiver of Olympia Bank & Trust Company,

Complainant,

vs.

A. R. TITLOW, as Receiver of the United States National Bank of Centralia, Substituted for C. A. Snowden,

Defendant,

C. S. REINHART and C. WILL SHAFFER, Stockholders of the Olympia Bank & Trust Company, a Corporation, for Themselves and All Other Stockholders of Said Company,

Intervenors.

**Waiver of Issue and Service of Citation by Intervenors.**

Come now the intervenors C. S. Reinhart and C. Will Shaffer, stockholders of the Olympia Bank &



Trust Company, a corporation, for themselves and all other stockholders of the said corporation, intervenors, and hereby waive the issue of citation, and notice of appeal to them from the complainant herein, Frank P. McKinney, as receiver of the Olympia Bank & Trust Company, and hereby waive the service of any notice of appeal upon them, and admit that they have now, and had at the time the appeal was allowed the said complainant herein due and sufficient notice that the said complainant was appealing and was submitting his petition for appeal to be allowed by the above-entitled court, it being the intention hereby for these intervenors to fully appear herein so as to be bound by the appeal of the complainant, and to waive the issuance of citation and notice upon them.

THOS. M. VANCE,

THOS. L. O'LEARY,

Of Attorneys for Intervenors.

C. S. REINHART,

C. WILL SHAFFER,

Intervenors. [299]

[Endorsed]: No. 32-E. In the District Court of the United States for the Western District of Washington, Southern Division. Frank P. McKinney, as Receiver, Complainant, vs. A. R. Titlow, as Receiver Defendant. C. S. Reinhart, and C. Will Shaffer Stockholders of the Olympia Bank & Trust Company, for Themselves and All Other Stockholders of Said Company, Intervenors. Waiver of Issue and Service of Citation by Intervenors. Filed in the U. S. District Court, Western Dist. of Washington

Southern Division. Jul. 25, 1916. Frank L. Crosby,  
Clerk. By F. M. Harshberger, Deputy.

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*In the District Court of the United States for the  
Western District of Washington, Southern  
Division.*

No. 32—IN EQUITY.

FRANK P. MCKINNEY, as Receiver of Olympia  
Bank & Trust Company,

Complainant,

vs.

A. R. TITLOW, as Receiver of United States Na-  
tional Bank of Centralia,

Defendant,

and

C. S. REINHART and C. WILL SHAFFER,  
Stockholders of the Olympia Bank & Trust  
Company, for Themselves and All Other  
Stockholders of Said Company,

Intervenors.

**Order Enlarging Time to File Record to September  
20, 1916.**

This matter coming on to be heard on the applica-  
tion to enlarge the time to file the transcript herein,  
and it appearing to the Court that there is good  
cause for enlargement of time, the Court does now  
hereby extend and enlarge the time to file the tran-  
script herein to and including September 20th, 1916.

Dated this 27th day of July, 1916.

EDWARD E. CUSHMAN,

District Judge.

[Endorsed]: No. 32. In the District Court of the United States for the Western District of Washington, Southern Division. Frank P. McKinney, as Receiver of the Olympia Bank & Trust Company, Complainant, vs. A. R. Titlow, as Receiver of the United States National Bank of Centralia, Substituted for C. A. Snowden, Defendant, and C. S. Reinhart and C. Will Shaffer, Stockholders of the Olympia Bank & Trust Company, a Corporation and All Other Stockholders of Said Company, Intervenors. In Equity. Order. Filed in the U. S. District Court, Western Dist. of Washington, Southern Division. Jul. 27, 1916. Frank L. Crosby, Clerk. By F. M. Harshberger, Deputy. [300]

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*In the United States Circuit Court of Appeals for  
the Ninth Judicial Circuit.*

FRANK P. MCKINNEY, as Receiver of the Olympia Bank & Trust Company,

Complainant,

vs.

A. R. TITLOW, as Receiver of the United States National Bank of Centralia, etc.,

Defendant,

C. S. REINHART and C. WILL SHAFFER,  
Stockholders of Olympia Bank & Trust Company, a Corporation, for Themselves and All Other Stockholders of Said Company,

Intervenors,

and

ROY A. LANGLEY, as Receiver of the State Bank  
of Tenino, a Corporation,

vs.

UNITED STATES NATIONAL BANK OF CEN-  
TRALIA, a Corporation, etc. et al.

**Order Extending Time to October 20, 1916, to File  
Record.**

Good cause appearing therefor,

IT IS NOW ORDERED that the time within  
which the transcript on appeal in the above-entitled  
causes may be returned and filed in the U. S. Cir-  
cuit Court of Appeal for the Ninth Circuit, at San  
Francisco, California, be and the same is hereby ex-  
tended to and including the 20th day of October,  
A. D. 1916.

Dated this Sept. 19th, 1916.

JEREMIAH NETERER,

U. S. District Judge, Western District of Washing-  
ton. [301]

[Endorsed]: Filed in the U. S. District Court,  
Western Dist. of Washington, Southern Division.  
Sep. 19, 1916. Frank L. Crosby, Clerk. By F. M.  
Harshberger, Deputy.

*In the United States Circuit Court of Appeals for  
the Ninth Judicial Circuit.*

FRANK P. MCKINNEY, as Receiver of the Olympia Bank & Trust Company,  
Complainant,

vs.

A. R. TITLOW, as Receiver of the United States National Bank of Centralia, Washington,  
Defendant,

C. S. REINHART and C. WILL SHAFFER,  
Stockholders of Olympia Bank & Trust Company, a Corporation, for Themselves and All Other Stockholders of Said Company,  
Intervenors,

and

ROY A. LANGLEY, as Receiver of the State Bank of Tenino, a Corporation,

vs.

UNITED STATES NATIONAL BANK OF CENTRALIA, a Corporation, etc. et al.

**Order Extending Time to Novermer 20, 1916, to  
File Record.**

Good cause appearing therefor,

IT IS NOW ORDERED that the time within which the transcript on appeal in the above-entitled causes may be returned and filed in the United States Circuit Court of Appeals for the Ninth Circuit, at San Francisco, California, be and the same is hereby



enlarged and extended to and including the 20th day of November, A. D. 1916.

Dated this 18th day of October, 1916.

EDWARD E. CUSHMAN,

U. S. District Judge for the Western District of Washington.

[Endorsed]: Filed in the U. S. District Court, Western Dist. of Washington, Southern Division. Oct. 18, 1916. Frank L. Crosby, Clerk. By F. M. Harshberger, Deputy. [302]

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[Endorsed]: No. 2879. United States Circuit Court of Appeals for the Ninth Circuit. Frank P. McKinney, as Receiver of the Olympia Bank & Trust Company, a Corporation, Appellant, vs. United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Appellees, and C. S. Reinhart and C. Will Shaffer, Stockholders of Olympia Bank & Trust Company, a Corporation, for Themselves and all Other Stockholders of Said Company, Appellants, vs. United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Appellees, and Roy A. Langley, as Receiver of the State Bank of Tenino, Appellant, vs. United States National Bank of Centralia, a Corporation, and A. R. Titlow, as Receiver of the United States National Bank of Centralia, Appel-

lees. Transcript of the Record. Upon Appeals from the United States District Court for the Western District of Washington, Southern Division.

Filed November 20, 1916.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

By Paul P. O'Brien,  
Deputy Clerk.